

# **ATTACHMENT A**

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**IN THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION**

MASIMO CORPORATION,  
a Delaware corporation; and  
CERCACOR LABORATORIES, INC.,  
a Delaware corporation

Plaintiffs,

v.

APPLE INC., a California corporation

Defendant.

Case No. 8:20-cv-00048-JVS-JDE

**JOINT STIPULATION  
REGARDING PLAINTIFFS'  
MOTION FOR A PROTECTIVE  
ORDER**

[Discovery Document: Referred to  
Magistrate Judge John D. Early]

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Hon. James V. Selna  
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1 Plaintiffs MASIMO CORPORATION (“Masimo”) and CERCACOR  
2 LABORATIES, INC. (“Cercacor”) and Defendant APPLE INC. (“Apple”)   
3 hereby submit this Joint Stipulation Regarding Plaintiffs’ Motion for a  
4 Protective Order, pursuant to Fed. R. Civ. P. 26(c) and L.R. 37-1 *et seq.*

5 **I. INTRODUCTORY STATEMENTS**

6 Pursuant to Judge Selna’s June 23, 2020 Order (ECF No. 59), the parties  
7 have appended to Adam Powell’s Declaration as Exhibit 4 a redlined version of  
8 the protective order that shows the parties’ competing proposals on the disputed  
9 provisions addressed herein. The redline changes reflect Apple’s proposals that  
10 differ from Plaintiffs’ proposals. In addition, a clean version of Plaintiffs’ full  
11 proposed protective order is appended to Adam Powell’s Declaration as Exhibit  
12 2, and a clean version of Apple’s full proposed protective order is appended to  
13 Ilissa Samplin’s Declaration as Exhibit A.

14 **A. Plaintiffs’ Introductory Statement**

15 Plaintiffs understand the Court expects customized protective orders to be  
16 based on its Model Protective Order (the “Model Order”), which is attached as  
17 Powell Decl., Ex. 1. Thus, Plaintiffs offered to prepare a draft based on the  
18 Model Order. Powell Decl. ¶ 6. Apple refused and insisted on preparing the  
19 initial draft. *Id.* Plaintiffs agreed, but only on the condition that Apple would  
20 base its draft on the Model Order. *Id.* Unfortunately, Apple provided a draft  
21 several weeks later that bore no relationship to the Model Order. *See id.*, Ex. 5  
22 at 11-41. Plaintiffs again asked Apple to provide a draft based on the Model  
23 Order, but Apple refused. *Id.*, Ex. 6 at 2. Thus, Plaintiffs prepared a draft based  
24 on the Model Order. *Id.*, Ex. 6 at 1, 15-37. Since then, the parties engaged in  
25 numerous meet-and-confers and exchanged numerous drafts to narrow their  
26 disputes. *Id.* ¶¶ 9-10 and Exs. 7-8. The parties were unable to resolve all issues  
27 and now present competing proposals.

28 Plaintiffs’ proposal tracks the Court’s Model Order as closely as possible.



1 For issues not addressed by the Model Order, Plaintiffs proposed using the  
2 language this Court recently adopted in *Masimo v. True Wearables*, No. 8:18-  
3 cv-02001-JVS-JDE (“*True Wearables*”). The provisions this Court adopted in  
4 *True Wearables* make sense here because Apple argued the two cases were  
5 related and involve “nearly identical” allegations. See Powell Decl., Ex. 24  
6 (Apple’s Notice of Related Cases) at 3. Instead of using this Court’s Model  
7 Order, or the *True Wearables* Order, Apple primarily relies on provisions from  
8 something it calls “Apple’s standard protective order.” Apple’s proposals are  
9 inappropriate for many reasons.

10 First, many of Apple’s proposals conflict with the Court’s Model Order,  
11 Local Rules, and Ninth Circuit precedent. For example, Apple proposes  
12 changing the Model Order by: (1) providing that the mere designation of  
13 information as “Highly Confidential” or “Source Code” constitutes good cause  
14 for sealing the information (Section II.A, *infra*), (2) eliminating this Court’s  
15 provisions concerning how information is used at trial (Section II.B, *infra*), (3)  
16 improperly limiting the individuals who can access “Confidential” information  
17 (Section II.D, *infra*), and (4) modifying the process of returning or destroying  
18 designated information after Final Disposition (Section II.J, *infra*). Apple fails  
19 to justify these changes to the Court’s Model Order.

20 Second, the parties agreed to add a “Highly Confidential” tier to the  
21 Model Order, but Apple inappropriately narrows who may access such  
22 information. See Section II.F, *infra*. Apple proposes language that would  
23 deprive Plaintiffs of their chosen counsel, Stephen Jensen, who has been  
24 representing Plaintiffs in litigation against Plaintiffs’ competitors for decades.  
25 This Court rejected nearly identical language in *True Wearables*. Powell Decl.,  
26 Ex. 13 at 8. This Court then affirmed Jensen is not a “competitive decision-  
27 maker” and may access Highly Confidential information. *Id.*, Ex. 14 at 5-6.

1 Apple identifies no reason why this Court should reach a contrary conclusion in  
2 this case.

3 Third, the parties agreed to add a “Source Code” tier to the Model Order,  
4 but Apple defines “source code” to include technical documents that are not  
5 source code and imposes unreasonable restrictions on reviewing “source code.”  
6 Section II.H, *infra*. As a result, Apple’s proposal significantly hinders  
7 Plaintiffs’ ability to review anything Apple designates as source code. Apple  
8 also includes numerous provisions seeking Plaintiffs’ work product, including a  
9 provision requiring advanced notice of the specific source code printouts  
10 Plaintiffs will use at depositions. Apple’s counsel also insists they may review  
11 any work product inadvertently left behind by Plaintiffs in the source code  
12 review room, which is contrary to their ethical duties.

13 Fourth, Apple asserts that a consultant that worked for Plaintiffs in *True*  
14 *Wearables* may serve as Apple’s e-discovery consultant in this case, despite  
15 Apple asserting the two cases are “nearly identical.” *See* Section II.E, *infra*.  
16 Apple takes that position even though the consultant obtained access to  
17 Plaintiffs’ highly confidential and *privileged* information in *True Wearables*.  
18 The consultant also obtained privileged information while serving as Plaintiffs’  
19 expert witness in another matter that Apple asserted is relevant to this case.  
20 Apple does not explain why it cannot use one of the dozens of other available  
21 consultants who have not worked for Plaintiffs on related matters.

22 Fifth, the parties agreed to add a patent prosecution bar to the Model  
23 Order, but Apple proposes unworkable terms. *See* Section II.G, *infra*. For  
24 example, Apple proposes that Plaintiffs’ outside counsel may participate in *inter*  
25 *partes* review, but *only if* Plaintiffs waive their right to amend the claims. That  
26 is one-sided and forces Plaintiffs to choose between using its preferred counsel  
27 and waiving its right to amend the claims. The Court should adopt Plaintiffs’  
28

1 proposal, which properly allows outside counsel to participate so long as they  
2 are not involved in amending the claims.

3 Finally, Apple insists that Protected Material may not be taken outside the  
4 U.S. or provided to any foreign national. *See* Section II.C, *infra*. Apple  
5 attempts to justify its proposal on U.S. export regulations, but its proposal is  
6 more onerous than U.S. export regulations. For example, Apple’s proposal bars  
7 Plaintiffs from using foreign nationals as expert witnesses or conducting  
8 depositions outside the U.S., even if doing so does not violate export  
9 regulations. The Court should adopt Plaintiffs’ proposal, which places the  
10 burden on the Receiving Party to comply with applicable export regulations.

11 Accordingly, Plaintiffs respectfully request the Court enter their proposed  
12 protective order, which is attached to the Powell Declaration as Exhibit 2.

13 **B. Defendant’s Introductory Statement**

14 Plaintiffs have approached the protective order negotiations from the  
15 premise that this Court’s model protective order—what Plaintiffs term the  
16 “Model Order”—governs in the event of any disputes between the parties.  
17 Apple respectfully disagrees with Plaintiffs’ position, and further notes that  
18 Plaintiffs have been more than willing to take a contrary stance when it suits  
19 their interests (e.g., advocating for an unprecedented provision that would  
20 restrict Apple from using the e-discovery vendor of its choosing). This Court’s  
21 instructions state merely that “[a] model protective order is attached below.”  
22 The Court’s rules do not instruct parties to adopt all provisions in the Model  
23 Order, do not provide that the Model Order controls in the event of any disputes,  
24 and do not even require parties to submit a redline between their protective  
25 order proposals and the Model Order. Plaintiffs’ suggestion that their proposed  
26 protective order is more appropriate because it purportedly “tracks the Court’s  
27 Model Order as closely as possible” therefore is not persuasive. Nor is it true.  
28 Plaintiffs are proposing many provisions that do not appear in the Model Order

1 at all, proving *Apple's* point—which is that this case involving patent, trade  
2 secret, and highly sensitive information requires different protections against the  
3 use and disclosure of confidential information than a run-of-the mill litigation.

4 Equally unpersuasive is Plaintiffs' argument that any departures from the  
5 Court's Model Order should track the language in the protective order entered in  
6 the *True Wearables* case. While it is true that Apple filed a notice of related  
7 cases given certain allegations common to this lawsuit and *True Wearables*,  
8 Apple is differently situated from True Wearables, including in ways that bear  
9 directly on the protective order disputes here. Apple is one of the largest  
10 technology companies in the world and the accused products in this case, the  
11 Apple Watch Series 4 and 5, are extremely valuable products already in the  
12 wearables space. True Wearables, Inc., by contrast, is a six-year old medical  
13 device start-up. Moreover, Apple is not a party in *True Wearables* and therefore  
14 was not involved in the negotiations regarding the protective order in that case  
15 or the briefing leading up to entry of that protective order. Plaintiffs' suggestion  
16 that Apple should be automatically or presumptively bound by the *True*  
17 *Wearables* protective order or any other rulings entered in that case therefore is  
18 not sensible or fair. This lawsuit is a separate action involving different parties,  
19 considerations, and confidential information. These protective order disputes  
20 should be decided with those facts in mind; the protective order and decisions in  
21 *True Wearables* should not be treated as presumptively valid or binding here.

22 Notably, Plaintiffs have resisted—and fail to mention at all—the Model  
23 Order the Northern District of California has adopted for cases “involving  
24 patents, highly sensitive confidential information and/or trade secrets,” in  
25 recognition of the heightened protections necessary for, and sensitivities  
26 involving, information of the type at issue in this action. *See* Samplin Decl. Ex.  
27 D. Apple proposed provisions from the Northern District's Model. Plaintiffs  
28 dismissed them on the mere basis that they are not in this Court's Model Order.

1 But Plaintiffs have recognized the value in adopting provisions from the  
2 Northern District's Model for like cases proceeding in this District. *See, e.g.,*  
3 Joint Stip. at 9, *Masimo Corp. v. Mindray DS USA Inc*, 2014 WL 12597116  
4 (C.D. Cal. Feb. 13, 2014), ECF No. 111 ("*Masimo's* proposal is modeled after  
5 the Northern District of California's Model Protective Order . . . which was the  
6 basis for nearly every other aspect of the parties' Proposed Stipulated Protective  
7 Order.") (emphasis added). Judge Selna likewise has looked to Northern  
8 District rules in cases like this one. *See* Samplin Decl. Ex. C, at 52.

9 Apple has agreed to the majority of the provisions contained in this  
10 Court's Model Order. Apple respectfully submits, however, that in this case  
11 involving patent, trade secret, and source code information—some of the most  
12 sensitive information in Apple's *and* Plaintiffs' possession—certain heightened  
13 protections are necessary, including those proposed by Apple here, for example:

- 14 • precluding a party's competitive decision-makers and Board members  
15 form accessing Apple's highly confidential information given the  
16 inherent risk for the inadvertent disclosure of confidential information;
- 17 • extending the agreed-upon prosecution bar to those who receive access  
18 to confidential information from participating in the acquisition of new  
19 patents given the risk that litigation counsel will use their acquired  
20 knowledge to advise a client on which patents to acquire;
- 21 • barring counsel who receive access to highly confidential materials  
22 from participating in IPR proceedings that involve claim amendments  
23 given the likelihood that counsel's knowledge will be used to guide  
24 co-counsel toward or away from making amendments;
- 25 • access by a limited number of Apple's in-house counsel to Plaintiffs'  
26 highly confidential information, including their alleged trade secrets,

- 1 which is fairly standard in high stakes trade secret cases like this one;<sup>1</sup>
- 2 • prohibitions on the export of confidential materials—in this case that
- 3 does not involve parties, experts, or evidence located abroad—given
- 4 the heightened risk of misuse and unauthorized access; and
- 5 • automatic return or destruction of the parties’ confidential material—
- 6 including their highly sensitive source code and trade secret-related
- 7 information—60 days following the final disposition of this action.

8 Apple is advocating for standard and reasonable protections for its sensitive

9 Apple Watch-related information, and respectfully requests that the Court enter

10 its proposed protective order attached to the Samplin Declaration as Exhibit A.

11 **II. DISPUTES REGARDING PROTECTIVE ORDER**

12 The parties have reached an impasse on the following issues.

13 **A. Section 3 – Filings Under Seal**

14 The Parties’ dispute on Section 3 is shown below, with underlined text

15 showing Apple’s proposed additions to Plaintiffs’ proposal and strikethrough

16 text showing Apple’s proposed deletions to Plaintiffs’ proposal:

17 3. ACNOWLEDGMENT OF UNDER SEAL FILING

18 PROCEDURE

19 . . . The parties’ mere designation of Disclosure or Discovery

20 Material as CONFIDENTIAL does not—without the submission

21 of competent evidence by declaration, establishing that the

22 material sought to be filed under seal qualifies as confidential,

23 privileged, or otherwise protectable—constitute good cause. But

24 designation of information as HIGHLY CONFIDENTIAL –

---

25

26 <sup>1</sup> On June 25, 2020, the Court dismissed Plaintiffs’ trade secret claim.

27 ECF No. 60. However, the Court granted Plaintiffs 30 days to amend. Apple is

28 cognizant of, and objects to, any protective order provisions that will hinder its

ability to defend against a future trade secret misappropriation claim.

1        SOURCE CODE or HIGHLY CONFIDENTIAL – ATTORNEYS’  
2        EYES ONLY shall be presumptively deemed to present good  
3        cause for filing under seal. Nothing in this section shall in any way  
4        limit or detract from this Protective Order’s requirements as to  
5        Source Code.

6        **1. Plaintiffs’ Position**

7        Plaintiffs propose adopting the language from this Court’s Model Order.  
8        *Compare* Powell Decl., Ex. 1 (Model Order) at 3 *with* Ex. 2 (Plaintiffs’  
9        proposal) at 2. Plaintiffs’ proposal (and the Model Order) are consistent with  
10       the Local Rules, which state that merely designating information “confidential  
11       pursuant to a protective order is **not** sufficient justification for filing under seal;  
12       a person seeking to file such documents under seal must comply with  
13       L.R. 79-5.2.2(b).” L.R. 79-5.2.2(a)(i) (emphasis added). Apple’s proposal  
14       deviates from the Model Order and Local Rules by including a provision that  
15       the designation of information as highly confidential or source code is  
16       “presumptively deemed to present good cause for filing under seal.” *See* Powell  
17       Decl., Ex. 4 at 2-3. Plaintiffs’ objection was based solely on the Court’s Model  
18       Order and Local Rules.

19       **2. Defendant’s Position**

20       Apple’s proposal does not alleviate the parties’ obligations to follow the  
21       procedures set forth in Local Civil Rule 79-5 relating to “CONFIDENTIAL”  
22       information. Apple’s proposal merely recognizes that because this case will  
23       involve the production of source code, highly confidential competitive  
24       information, and potentially trade secrets, elevated designations for such  
25       material necessarily raise a presumption of good cause for filing under seal.  
26       Throughout the course of the parties’ negotiations, Plaintiffs’ counsel stated that  
27       while they would not advocate for Apple’s proposed language, they would  
28       indicate to the Court that they do not object to it. *See, e.g.,* Samplin Decl. Ex.



1 G, at 153 [June 3, 2020 Email from A. Powell] (stating, with respect to Section  
2 3 of the protective order, that Plaintiffs “will not include Apple’s edits in our  
3 draft, but we will indicate that we do not oppose the changes if the Court deems  
4 them acceptable”). Apple therefore was surprised when Plaintiffs failed to  
5 indicate their non-opposition in this submission.

6 The public’s right of access is important, and clearly upheld in Apple’s  
7 proposed protective order (Samplin Decl. Ex. A [Apple’s proposed protective  
8 order]; *see also* Powell Decl. Ex. 4 [parties’ combined proposed protective  
9 orders]), but such a right “is not absolute and can be overridden given  
10 sufficiently compelling reasons for doing so.” *Foltz v. State Farm Mut. Auto*  
11 *Ins. Comp.*, 331 F.3d 1122, 1135 (9th Cir. 2003). Compelling reasons include  
12 to protect “sources of business information that might harm a litigant’s  
13 competitive standing” (*Ctr. For Auto Safety v. Chrysler Grp., LLC*, 809 F.3d  
14 1092, 1097 (9th Cir. 2016), *cert. denied sub nom. FCA U.S. LLC v. Ctr. for Auto*  
15 *Safety*, 137 S. Ct. 38 (2016) (citing *Nixon v. Warner Commc’ns, Inc.*, 435 U.S.  
16 589, 597 (1978)), and “to prevent disclosure of materials . . . including, *but not*  
17 *limited to*, trade secrets or other confidential research, development, or  
18 commercial information” (*Phillips v. Gen. Motors Corp.*, 307 F.3d 1206, 1211  
19 (9th Cir. 2002) (emphasis in original)). The parties’ agreed definitions of the  
20 elevated designations of “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES  
21 ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” *presumptively* fall  
22 into those categories worthy of protection:

- 23 • “‘HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY’:  
24 extremely confidential and/or sensitive “Confidential Information or  
25 Items,” disclosure of which to another Party or Non-Party is likely to  
26 cause harm or significant competitive disadvantage to the Producing  
27 Party.”
- 28 • “‘HIGHLY CONFIDENTIAL – SOURCE CODE’: extremely



1 sensitive “Confidential Information or Items” representing computer  
2 code, scripts, assembly, binaries, object code, source code listings  
3 (e.g., file names and path structure), descriptions of source code (e.g.,  
4 descriptions of declarations, functions, and parameters), object code  
5 listings, and Hardware Description Language (HDL) or Register  
6 Transfer Level (RTL) files that describe the hardware design of any  
7 ASIC or other chip, disclosure of which to another Party or Non-Party  
8 is likely to cause harm or significant competitive disadvantage to the  
9 Producing Party . . . .”

10 Compelling reasons are fairly certain to justify the filing under seal of any  
11 materials marked with these elevated designations in *this* case—where highly  
12 confidential information, source code, competitive information, and potentially  
13 trade secrets are at issue. Put differently, Plaintiffs have no cognizable  
14 argument that materials satisfying the above definitions should be available to  
15 the public. In this case where Plaintiffs have asserted that Apple has  
16 misappropriated *Plaintiffs’* purported trade secrets (and may continue to attempt  
17 to assert their misappropriation claim even though it has thus far been  
18 dismissed), Plaintiffs should be equally interested in a presumption preventing  
19 disclosure of their highly confidential and source code information. That is why  
20 Apple’s proposed language—which would have bilateral effect—makes sense.  
21 And if a situation arises in which the presumption is too broad for a particular  
22 application, the presumption can be rebutted.

23 Further, this presumption will relieve administrative burden for both the  
24 parties and the Court, as it will curtail numerous submissions seeking to justify  
25 highly confidential and source code redactions where the parties are in  
26 agreement about those redactions. Apple’s proposal would limit the need for  
27 briefing on this topic to those situations where the designations actually are  
28 disputed. Apple’s proposed approach makes practical and efficient sense in a

case where the parties already know that information designated highly confidential will feature source code and potentially trade secrets that should be redacted in Court submissions.

**B. Sections 5.5 and 6 – Use of Protected Material at Trial**

The Parties’ dispute on Sections 5.6 and 6 is shown below, with underlined text showing Apple’s proposed additions to Plaintiffs’ proposal and strikethrough text showing Apple’s proposed deletions to Plaintiffs’ proposal:

5. SCOPE

...

5.6 Any use of Protected Material at trial shall be governed by ~~the orders of the trial judge and other applicable authorities a~~ separate agreement or order. This Order does not govern the use of Protected Material at trial.

6. DURATION

Even after Final Disposition of this litigation, the confidentiality obligations imposed by this Order shall remain in effect until a Designating Party agrees otherwise in writing, a court order otherwise directs, or the information was made public during trial. For purposes of this Order, “Final Disposition” occurs after an order, mandate, or dismissal finally terminating the above-captioned action with prejudice, including all appeals. ~~Once a case proceeds to trial, information that was designated or maintained pursuant to this protective order used or introduced as an exhibit at trial becomes public and will be presumptively available to all members of the public, including the press, unless compelling reasons supported by specific factual findings to proceed otherwise are made to the trial judge. See *Kamakana*, 447 F.3d at 1180-81 (distinguishing “good cause” showing for sealing documents~~

1       ~~produced in discovery from “compelling reasons” standard when~~  
2       ~~merits related documents are part of court record).~~Pursuant to  
3       Paragraph 5.6 above, any use of Protected Material at trial shall be  
4       governed by a separate agreement or order.

5       **1. Plaintiffs’ Position**

6       Plaintiffs again propose adopting this Court’s Model Order on these  
7       provisions. *Compare* Powell Decl., Ex. 1 (Model Order) at 6 *with* Ex. 2  
8       (Plaintiffs’ proposal) at 7.<sup>2</sup> Plaintiffs’ proposal (and the Court’s Model Order)  
9       properly recognize that a separate order from the trial Court will govern the use  
10      of Protected Material at trial and that Ninth Circuit precedent imposes a higher  
11      burden to seal information introduced at trial. *See Kamakana v. City and*  
12      *County of Honolulu*, 447 F.3d 1172, 1180-81 (9th Cir. 2006). This language is  
13      commonly included in protective orders. *See, e.g., Glaukos Corp. v. Ivantis,*  
14      *Inc.*, No. 8:18-cv-00620-JVS-JDE, Dkt. No. 36 (C.D. Cal. Aug. 3, 2018)  
15      (Powell Decl., Ex. 21) at 3.

16      Apple proposes modifying these provisions to improperly provide that the  
17      treatment of protected material at trial may be governed by a separate  
18      “agreement” without the Court’s input. Powell Decl., Ex. 4 at 7. Apple also  
19      removes the Court’s recitation of the Ninth Circuit standard for sealing material  
20      at trial. *See Kamakana*, 447 F.3d at 1180-81; *Oliner v. Kontrabecki*, 745 F.3d  
21      1024, 1025–26 (9th Cir. 2014) (“In keeping with the strong public policy  
22      favoring access to court records, most judicial records may be sealed only if the  
23      court finds ‘compelling reasons.’”). Apple provides no justification for  
24

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25  
26      <sup>2</sup> The parties agreed to minor changes to the Model Order to make clear  
27      that information designated pursuant to the Protective Order but *not* introduced  
28      at trial remains protected by the Protective Order. *Compare* Powell Decl., Ex. 1  
    (Model Order) at 6 *with* Ex. 2 (Plaintiffs’ proposal) at 7.

1 removing this Court’s correct recitation of the law. The Court should adopt its  
2 standard language and reject Apple’s unsupported modifications.

3 **2. Defendant’s Position**

4 Apple does not take issue with the Ninth Circuit law cited in this Court’s  
5 Model Order, or with the uncontroverted fact that there is a strong public policy  
6 favoring access to court records, including at trial. Apple’s simple position is  
7 that the parties are far off from any trial in this action—having yet to even  
8 produce a single confidential document in this case—and therefore the Court  
9 should defer entering orders about how the parties’ highly sensitive information,  
10 including source code and potentially trade secrets, will be treated at a trial.  
11 Indeed, this Court’s instructions to parties about protective orders states that “no  
12 proposed discovery protective order should purport to control the handing of  
13 materials at trial,” and is precisely what Apple seeks to avoid.

14 Notably, the Northern District’s Model Order for cases “involving  
15 patents, highly sensitive confidential information and/or trade secrets” provides  
16 that “[a]ny use of Protected Material at trial shall be governed by a separate  
17 agreement or order”—which is the exact language Apple is proposing here.  
18 Samplin Decl. Ex. D, at 59 [Northern District of California’s Model Protective  
19 Order for Litigation Involving Patents, Highly Sensitive Confidential  
20 Information and/or Trade Secrets (“N.D. Cal. Model Order”) § 3]; *see also id.*  
21 Ex. A, at 12 [Apple’s proposed protective order provision for this case]. While  
22 Apple recognizes that the Central District of California has not published its  
23 own distinct Model Order for cases “involving patents, highly sensitive  
24 confidential information and/or trade secrets” (this case involves all three),  
25 courts within the Central District routinely follow the Northern District’s  
26 model.<sup>3</sup> *See, e.g., Masimo Corp. v. Mindray DS USA Inc*, No. 12-02206-CJC

27  
28 <sup>3</sup> The Northern District also uses a default Patent Local Rule 2-2 Interim

(JPRx), 2014 WL 12597116 (C.D. Cal. Apr. 15, 2014) (affirming the magistrate judge’s protective order, which was based on the Northern District of California’s model protective order and provided for a two-year prosecution bar); *see also* Order at 2, *Freed Designs, Inc. v. Sig Sauer, Inc.*, No. 13-9570-ODW (AGRx) (C.D. Cal. July 9, 2014), ECF No. 28 (“The Court is agreeable to the entry of a protective order that tracks the language of the Northern District of California’s Patent Local Rule 2-2 Model Protective Order.”); Order at 3, *Black Hills Media, LLC v. Pioneer Corp.*, No. 13-05980-SJO (PJWx) (C.D. Cal. Sep. 24, 2013), ECF No. 59 (“If the parties are unable to agree on a protective order, the Court will enter the Northern District of California’s Patent Local Rule 2-2 Interim Model Protective Order.”). The Northern District’s position on this issue is sensible given the type of Protected Material that will be involved in, and the current posture of, this case. Indeed, Plaintiff Masimo has previously agreed in this District to the Northern District language that Apple is proposing for this case. *See* Joint Stip. at 9, *Masimo Corp. v. Mindray DS USA Inc.*, 2014 WL 12597116 (C.D. Cal. Feb. 13, 2014), ECF No. 111.

To be clear, Apple does not dispute that this Court will need to be involved in any decision about how Protected Material will be treated at trial, should a trial occur in this action. Apple therefore is confused by Plaintiffs’ suggestion that Apple has recommended that the parties reach agreements about trial procedure without this Court’s involvement. To the contrary, Apple fully expects the Court to be instrumental in deciding this issue—with final say about

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Model Protective Order, which courts within the Central District routinely follow as well. *See* N.D. Cal., Patent Local Rule 2-2 Interim Model Protective Order, <https://www.cand.uscourts.gov/wp-content/uploads/forms/model-protective-orders/Interim-Patent-Protective-Order-Rule-2-2.docx> (last visited June 24, 2020). The two Northern District model orders are identical in relevant respects.

1 how the parties' Protected Material will be treated at trial. Apple simply  
2 proposes that the Court adopt the Northern District's proffered method for  
3 handling the treatment at trial of Protected Material in cases like this one—that  
4 is, deferring the issue until the case gets closer to trial, as most litigations  
5 resolve before that point, thereby mooted this issue completely.

6 **C. Section 9.1 – Export Regulations**

7 The Parties' dispute on Section 9.1 is shown below, with underlined text  
8 showing Apple's proposed additions to Plaintiffs' proposal and strikethrough  
9 text showing Apple's proposed deletions to Plaintiffs' proposal:

10 9.1 Basic Principles.

11 . . .

12 Protected Material must be stored and maintained by a Receiving  
13 Party at a location in the United States and in a secure manner that  
14 ensures that access is limited to the persons authorized under this  
15 Order. ~~The Receiving Party will take any reasonably necessary~~  
16 ~~precautions to comply with applicable United States Export~~  
17 ~~Administration Regulations.~~ To ensure compliance with applicable  
18 United States Export Administration Regulation, Protected Material  
19 may not be exported outside the United States or released to any  
20 foreign national (even if within the United States).

21 **1. Plaintiffs' Position**

22 Plaintiffs again proposed adopting the Court's Model Order, which does  
23 not discuss export regulations. Apple insists that no Protected Material may be  
24 taken to *any* foreign country or provided to *any* foreign national (even within  
25 the United States). Powell Decl., Ex. 4 at 12. Apple attempted to justify those  
26 provisions by referencing U.S. export regulations. But Apple's proposal goes  
27 far beyond what is required by U.S. export regulations. For example, Apple's  
28 proposal would prevent a Canadian citizen who is a U.S. permanent resident

1 from serving as outside counsel or as an expert witness. Apple's proposal  
2 would also prevent the parties from taking depositions in *any* other country.  
3 Additionally, Apple's proposal could be interpreted as requiring outside counsel  
4 to discriminate based on national origin.

5 During the conference of counsel, Apple argued the parties could  
6 consider deviating from Apple's draconian language on a case-by-case basis.  
7 For example, Apple suggests Plaintiffs could ask Apple's permission to  
8 designate a foreign national as an expert, or to take Apple's materials outside  
9 the country for depositions. Apple thereby proposes giving itself improper  
10 leverage to deny Plaintiffs their choice of expert witness and prevent depositions  
11 that Apple deems undesirable.

12 The Court should adopt Plaintiffs' proposal, which would accomplish  
13 Apple's stated goals without providing Apple undue leverage. Plaintiffs  
14 propose requiring the Receiving Party to take whatever procedures may be  
15 reasonably necessary to comply with applicable export regulations. Such  
16 language is common when one or more parties alleges protected material may  
17 be subject to export regulations. Indeed, Apple has recently *stipulated* to  
18 similar language. *Pinn, Inc. v. Apple Inc.*, Case No. 8:19-cv-01805-DOC-JDE,  
19 Dkt. No. 60 (C.D. Cal. March 13, 2020) (Powell Decl., Ex. 17) at 16 ("Each  
20 party receiving Protected Material shall comply with all applicable export  
21 control statutes and regulations").

## 22 **2. Defendant's Position**

23 Apple's proposal regarding export control is not controversial. It  
24 provides that Protected Material should not be exported outside the United  
25 States or to any foreign national in order to comply with federal regulation and  
26 protect the parties' sensitive information. This provision should not impose *any*  
27 burden on Plaintiffs, given that all of Plaintiffs' counsel are located in the  
28 United States and discovery regarding the claims and defenses in this case



1 should not involve sending sensitive information abroad.<sup>4</sup> By the opposite  
2 token, it should be clear why these provisions are critical—given the heightened  
3 risk of misuse and unauthorized access of information in countries outside the  
4 United States, differing views of business sensitivity and privacy, and Apple’s  
5 inability to obtain justice, enforce the protective order, or reverse or prevent  
6 ongoing harm should its Protected Material be compromised outside the United  
7 States.

8 Plaintiffs’ quote from one of Apple’s “recently *stipulated*” protective  
9 orders does not support their position on this issue. While Plaintiffs are correct  
10 that the protective order they reference from an entirely different case says that  
11 the parties “shall” comply with export rules, Plaintiffs omit the lengthy  
12 remainder of the paragraph, which is key: “No party receiving Protected  
13 Material may allow it to leave the territorial boundaries of the United States of  
14 America or to be made available to any foreign national who is not (i) lawfully  
15 admitted for permanent residence in the United States or (ii) identified as a  
16 protected individual under the Immigration and Naturalization Act (8 U.S.C.  
17 1324b(a)(3)).” The protective order further provided an exception from export  
18 prohibitions where non-source code Protected Material is reasonably necessary  
19 for use in a deposition in a foreign country. Apple offered in this case to  
20 consider reasonable carve outs to address Plaintiffs’ concerns, but Plaintiffs did  
21 not propose a workable solution.

22 Instead, Plaintiffs took the position that they should have the right to  
23 export Apple material outside the United States at will—but that they would

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24  
25 <sup>4</sup> If the case eventually requires depositions or experts located outside the  
26 United States, the parties can revisit the issue at that time, and attempt to reach  
27 agreement about the export of specific materials to the extent necessary. Thus  
28 far, Plaintiffs have not expressed that they anticipate any need to hire experts or  
conduct depositions abroad.



1 agree to a provision requiring them to give notice to Apple before doing so, and  
2 then Apple would have the burden of proving that Plaintiffs should be prevented  
3 from exporting. Plaintiffs' proposal was unworkable, because it would have  
4 imposed on Apple the burden to prevent transfer of Apple materials abroad,  
5 when the burden should be on *Plaintiffs* to justify any such transfer in the first  
6 place. Notably, in proposing this notice provision, Plaintiffs at least recognized  
7 that Apple could be harmed by unfettered disclosure of its confidential material  
8 abroad. Yet, once the parties failed to reach agreement on this export provision,  
9 Plaintiffs reverted to their original proposal (sans any notice of export), which  
10 leaves Apple's confidential material *without any protections* in this regard.

11 It is not clear to Apple why Plaintiffs are insisting on a provision to  
12 permit export of Apple's data outside the United States—particularly given that  
13 when Apple asked Plaintiffs if they have export plans, Plaintiffs responded in  
14 the negative. Apple has yet to hear a compelling justification for this dispute,  
15 and therefore continues to seek sensible and definitive protections against the  
16 export of its sensitive materials abroad, particularly given the information that  
17 will be at issue in this case.<sup>5</sup>

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18  
19  
20 <sup>5</sup> The theft of intellectual property by foreign companies and nationals is  
21 an indisputable issue for American companies, including Apple; in fact, it is  
22 considered one of the greatest threats to American businesses and the U.S.  
23 economy. The United States has responded in kind, including with the White  
24 House Annual Intellectual Property Report from 2019 discussing the country's  
25 focus on combatting the theft of trade secrets by international actors  
26 ([https://www.whitehouse.gov/wp-content/uploads/2020/04/IPEC-2019-Annual-  
27 Intellectual-Property-Report.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/04/IPEC-2019-Annual-Intellectual-Property-Report.pdf)), the Department of Justice Task Force on  
28 Intellectual Property, which "confront[s] the growing number of domestic and  
international intellectual property (IP) crimes" (<https://www.justice.gov/ip tf>),  
and a trade deal with China entered earlier this year to, among other things,  
protect trade secrets, increase the scope of liability for trade secret  
misappropriation, and prohibit unauthorized disclosure by government  
personnel or third parties in proceedings (Economic and Trade Agreement

**D. Section 9.2(b) and (j)– Disclosure of Confidential Information**

The Parties’ dispute on Sections 9.2(b) and (j) is shown below, with underlined text showing Apple’s proposed additions to Plaintiffs’ proposal and strikethrough text showing Apple’s proposed deletions to Plaintiffs’ proposal:

9.2 Disclosure of “CONFIDENTIAL” Information or Items.

...

(b) ~~the officers, directors, and employees (including House Counsel) of the Receiving Party to whom disclosure is reasonably necessary for this Action~~ Not more than three (3) representatives of the Receiving Party who are officers or employees (including House Counsel) to whom disclosure is reasonably necessary for this Action, provided that: (a) each such person has agreed to be bound by the provisions of the Protective Order by signing a copy of Exhibit A; and (b) no unresolved objections to such disclosure exist after proper Pre-Access Disclosure Requirements are provided to all Parties and all objections have been resolved under the Objections Process under 9.2(c) below;

...

(j) ~~during their depositions, witnesses, and attorneys for witnesses, in the Action to whom disclosure is reasonably necessary provided: (1) the deposing party requests that the witness sign the form attached as Exhibit A hereto; and (2) they will not be permitted to keep any confidential information unless they sign the “Acknowledgment and Agreement to Be Bound” (Exhibit A),~~

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Between the United States of America and the People’s Republic of China: Phase 1 (January 15, 2020)). In this context, Apple’s proposal to limit export of its extremely sensitive materials is not only reasonable, but critical.

1 ~~unless otherwise agreed by the Designating Party or ordered by the~~  
2 ~~court. Pages of transcribed deposition testimony or exhibits to~~  
3 ~~depositions that reveal Protected Material may be separately bound~~  
4 ~~by the court reporter and may not be disclosed to anyone except as~~  
5 ~~permitted under this Stipulated Protective Order.~~

6 **1. Plaintiffs' Position**

7 Plaintiffs again propose adopting the Court's Model Order. *Compare*  
8 Powell Decl., Ex. 1 (Model Order) at 10-11 *with* Ex. 2 (Plaintiffs' proposal) at  
9 13, 16. Courts in this district routinely include similar provisions in protective  
10 orders. *See, e.g., Uniloc 2017 LLC v. Netflix, Inc.*, No. 8:18-cv-02055-GW-  
11 DFM, Dkt. No. 80 (C.D. Cal. Aug. 5, 2019) (Powell Decl., Ex. 19) at 3-4  
12 (permitting disclosure of confidential material to "[t]he officers, directors, and  
13 employees of the receiving party to whom disclosure is reasonably necessary,  
14 and who have signed the Agreement to Be Bound (Exhibit A)" and "During  
15 their depositions, witnesses in the action to whom disclosure is reasonably  
16 necessary and who have signed the Agreement to be Bound (Exhibit A)"); *XR*  
17 *Comms., LLC v. D-Link Systems, Inc.*, No. 8:17-cv-00596-JVS-JCG, Dkt. No.  
18 113 (C.D. Cal. Mar. 6, 2018) (Powell Decl., Ex. 20) at 4 (same).

19 Apple proposes limiting Section 9.2(b) to only three individuals who  
20 must be disclosed **and** approved by the opposing party. Powell Decl., Ex. 4 at  
21 13. Apple completely strikes Section 9.2(j). *Id.*, Ex. 4 at 16. During the  
22 conference of counsel, Apple provided no justification for its proposals.  
23 Instead, it asserted its proposal on 9.2(b) was a "standard" Apple provision and  
24 that it has not agreed to a provision similar to Section 9.2(j) in other cases.  
25 Apple's asserted preference is not sufficient justification for departing from the  
26 Court's Model Order.

27 Plaintiffs' proposal (and the Model Order) are reasonable. Section 9.2(b)  
28 allows the parties to show "Confidential" information to party employees if it is

1 reasonably necessary. For example, litigants routinely designate non-public  
2 communications between the parties as “Confidential” because they need not be  
3 kept confidential from employees of the opposing party, but should not be made  
4 public. Section 9.2(j) allows the parties to show “Confidential” information to  
5 witnesses during their depositions if it is “reasonably necessary” and the  
6 individual agrees to be bound by the Protective Order. These provisions are  
7 entirely appropriate because they apply only to the lowest tier of “Confidential”  
8 information. *See* Section 9.3 and 11, *infra*. More sensitive information, like  
9 trade secrets, may be designated “Highly Confidential – Attorneys’ Eyes Only”  
10 or “Highly Confidential – Source Code” and may not be viewed by individuals  
11 authorized under Sections 9.2(b) and (h). That is one important purpose of a  
12 multi-tier Protective Order. The Court should adopt Plaintiffs’ proposal.

13 **2. Defendant’s Position**

14 The parties dispute how many and which types of individuals should have  
15 access to Protected Material on behalf of the Receiving Party. Plaintiffs’  
16 proposal seeks an unlimited grant of access to all of their officers, directors, and  
17 employees under the ambiguous cover of “reasonably necessary” without any  
18 advanced designation. Under this proposal, Apple would have no way of  
19 knowing, for example, how many people at Masimo have been shown Apple’s  
20 confidential information or any basis to discern how Masimo concluded that  
21 disclosure to those people was “reasonably necessary.” Apple should not be  
22 forced to provide that type of discretion to an adversary.

23 Apple’s proposal provides an appropriate safeguard against Plaintiffs  
24 applying the vague “reasonably necessary” language in a way that would  
25 unnecessarily expose Apple’s confidential information to Plaintiffs’ employees.  
26 In addition, a restriction on the number of employees that may view confidential  
27 materials is appropriate to further limit the risk of misuse. Plaintiffs’ proposal  
28 does not afford Apple either protection and such protections are absolutely

1 necessarily. For example, if Plaintiffs have a team of engineers currently  
2 working on the development of a potentially competing product (e.g., a  
3 competing smartwatch), Apple should have the right to oppose disclosure *before*  
4 Plaintiffs determine that disclosure of Apple's confidential information to that  
5 team of engineers is reasonably necessary. Under Plaintiffs' proposal, Plaintiffs  
6 could provide this sensitive information to a team of four or more such  
7 engineers if Plaintiffs deemed it reasonably necessary. Under Plaintiffs'  
8 proposal, Apple would not have a right to oppose this disclosure, nor would it  
9 even know that the disclosure occurred.

10 Plaintiffs have submitted provisions from protective orders in other cases  
11 that do not limit the number of people with access to confidential information  
12 and that do not provide a right of objection, but those provisions are inapposite  
13 here. In contrast to the parties in the cited cases, Apple is one of the largest  
14 technology companies in the world, whose value lies in the protection and  
15 security of its proprietary and confidential information. The need to limit the  
16 exposure and dissemination of its confidential information is apparent and  
17 should be observed. In expanding the number of Plaintiffs' recipients of  
18 Apple's confidential information, Plaintiffs' proposal unnecessarily extends the  
19 vulnerability and exposure of Apple's confidential information beyond any level  
20 necessary to the prosecution of this case.

21 Moreover, to support their proposal, Plaintiffs identify a practice that  
22 some litigants "routinely designate non-public communications between the  
23 parties as 'Confidential' . . . because they should not be made public." In so  
24 doing, Plaintiffs disregard the purpose of confidentiality designations as  
25 protections against the improper access to private information. Plaintiffs'  
26 argument also neglects the fact that a majority of documents that receive the  
27 "confidential" designation receive do so not merely because they should be kept  
28 private, but also because they should be kept confidential from employees of the

opposing party—particularly where those employees may be working on a future competitive product or are involved in some other work that would provide the Producing Party with a basis to object.

Plaintiffs’ Section 9(j) proposal is objectionable for many of the same reasons as their proposal in 9(b). Like 9(b), Plaintiffs’ proposal in Section 9(j) would enable disclosure of confidential information to a deposition witness without any prior ability for Apple to object. Section 9(j) permits Plaintiffs to transmit Apple’s “confidential” information to *any* individual who signs an acknowledgement form, even one signed on the spot during a deposition. Denying Apple the ability to raise any objections to that person seeing Apple’s confidential information would create an end-run around the provisions needed in 9(b) for Plaintiffs’ employees and is even more important if Plaintiffs seek to depose Apple’s competitors, business partners, or others who should not be permitted to review Apple confidential information at all. Plaintiffs’ proposed Section 9(j) would enable *anyone* that Plaintiffs call for deposition in this case to view Apple’s non-public information. That is not how the process is supposed to work—and it risks improper disclosure of Apple’s highly sensitive information and gamesmanship on the part of Plaintiffs in noticing depositions in this case. The Court should reject Plaintiffs’ proposed Section 9(j) in its entirety.

**E. Section 9.2(f) – Disclosure of Confidential Information**

The Parties’ dispute on Section 9.2(f) is shown below, with underlined text showing Apple’s proposed additions to Plaintiffs’ proposal and strikethrough text showing Apple’s proposed deletions to Plaintiffs’ proposal:

(f) professional jury or trial consultants, mock jurors, and Professional Vendors to whom disclosure is reasonably necessary for this Action and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A), ~~provided that the name of~~

1       ~~any e-discovery vendors must be disclosed at least fourteen (14)~~  
2       ~~days before providing the e-discovery vendor with Protected~~  
3       ~~Material so that the Producing Party has an opportunity to object~~  
4       ~~pursuant to the objection procedure set forth in subparagraph (c)~~  
5       ~~above;~~

6       **1. Plaintiffs' Position**

7       Plaintiffs propose the parties provide advance disclosure of e-discovery  
8       consultants and an opportunity to object. This provision is not present in the  
9       Model Order, but is necessary in this case to prevent a specific risk associated  
10      with Apple using Consilio LLC as an e-discovery consultant. Consilio working  
11      for Apple in this case is highly problematic because Consilio worked for  
12      Plaintiffs in matters that Apple considers directly relevant to this case. Consilio  
13      thereby obtained access to Plaintiffs' highly confidential and privileged  
14      information *relevant to this case*.

15      In particular, Plaintiffs retained Consilio in *True Wearables*, which Apple  
16      asserts is a related case that involves issues "nearly identical" to this case.  
17      Powell Decl. ¶ 11 and Ex. 24 (Apple's Notice of Related Cases) at 3. Apple has  
18      already pursued discovery concerning *True Wearables*, including requesting  
19      "All documents produced by Masimo and Cercacor in [*True Wearables*]." Powell Decl. ¶ 13. In its role as Plaintiffs' e-discovery consultant in that "nearly  
20      identical" case, Consilio collected Plaintiffs' highly confidential and privileged  
21      information. *Id.* ¶ 11. Consilio hosted Plaintiffs' documents in a database,  
22      including non-produced documents that were not responsive and/or privileged.  
23      *Id.* While Plaintiffs have since terminated Consilio's involvement in *True*  
24      *Wearables*, Consilio still had access to those files around the time Plaintiffs  
25      filed this lawsuit. *Id.*

26      Consilio was also Plaintiffs' forensic expert in *Masimo Corp. v. Sotera*  
27      *Wireless Inc.*, No. 30-2013-00649172-CU-IP-CJC (Cal. Sup. Ct.) ("*Sotera*").  
28



1 *Id.* ¶ 12. In *Sotera*, Consilio analyzed forensic images of devices used by  
2 former Masimo employees who left to work for Sotera. *Id.* One of those  
3 employees was a Masimo executive involved in both Masimo’s engineering and  
4 marketing departments. *Id.* Consilio even **testified** for Masimo at trial in that  
5 matter. *Id.* Two individual forensic consultants who worked for Plaintiffs in  
6 *Sotera* are presently Consilio’s “Senior Director – Digital Forensics & Expert  
7 Services” and “Senior Manager in Digital Forensics and Expert Services (DFES  
8 group).” *Id.*, Ex. 9. *Sotera* is currently stayed and Consilio retains access to  
9 Plaintiffs’ information because the matter has not yet been dismissed. *Id.* ¶ 12.

10 Similar to *True Wearables*, Apple initially asserted *Sotera* was relevant to  
11 this case by seeking production of “All Documents and Communications  
12 relating to the trade secrets which You alleged were misappropriated by the  
13 defendants in [*Sotera*].” *Id.* ¶ 13. Apple claims it no longer asserts *Sotera* is  
14 relevant because Plaintiffs indicated they are not aware of overlapping trade  
15 secrets in the two cases. *Id.* ¶ 14. However, Apple expressly reserved the right  
16 to pursue discovery regarding *Sotera*. *Id.* Additionally, Apple cannot deny that  
17 Consilio obtained privileged information in *Sotera* regarding other related  
18 issues, including Masimo’s strategies for litigating trade secret cases.

19 During the conference of counsel, Plaintiffs told Apple this provision was  
20 necessary only to prevent Consilio from working for Apple on this case. *Id.*  
21 Plaintiffs told Apple they would agree to remove this provision if Apple agreed  
22 not to use Consilio. *Id.* Doing so would both protect Plaintiffs’ information  
23 **and** reduce the risk of Apple’s counsel being disqualified if Consilio  
24 intentionally or inadvertently conveyed to them Plaintiffs’ privileged  
25 information. Apple refused, but never explained why Apple must use Consilio  
26 instead of the dozens of other available e-discovery consultants. *Id.* Apple’s  
27 insistence on using Consilio is troubling. Consilio apparently has no concern  
28 about working for Plaintiffs in *True Wearables* and working for Apple in this



1 case. Consilio presents an unacceptably high risk of improperly disclosing  
2 Plaintiffs' confidential and privileged information to Apple, even inadvertently,  
3 as well as unquestionably presenting an appearance of impropriety and  
4 conflicted loyalty.

5 Disqualification is appropriate where both (1) a confidential relationship  
6 exists and (2) confidential information was disclosed to the consultant.  
7 *Broadcom Corp. v. Emulex Corp.*, 2010 WL 11465478, at \*1 (C.D. Cal. Apr. 5,  
8 2010) (J. Selna). The Court should "also consider prejudice to both parties and  
9 whether disqualification would promote the integrity of the legal process." *Id.*  
10 (granting motion for disqualification). As discussed above, Consilio had a  
11 confidential relationship with Plaintiffs and received confidential and privileged  
12 information from Plaintiffs in cases that Apple asserts are relevant to this matter.  
13 While the prejudice to Plaintiffs of improper disclosure would be severe (and  
14 the appearance of impropriety is already highly concerning), Apple will suffer  
15 no prejudice from simply using a different e-discovery consultant. *See id.*  
16 (finding no prejudice because the defendant could find a new expert). Requiring  
17 Apple to use a different consultant would promote the integrity of the legal  
18 process by avoiding actual and apparent conflicts of interest.

19 Accordingly, the Court should bar Apple from using Consilio in this case,  
20 or at least adopt Plaintiffs' proposal so that Plaintiffs have an opportunity to  
21 object if Apple attempts to retain Consilio in connection with this case.

## 22 **2. Defendant's Position**

23 Plaintiffs' efforts to disqualify Apple's discovery vendor Consilio through  
24 a proposed protective order provision is unprecedented and inappropriate. If  
25 Plaintiffs have concerns about Apple's use of Consilio in this case, they should  
26 attempt to satisfy their burden of disqualifying Apple's discovery vendor  
27 through a properly noticed motion on the issue. A proposed protective order  
28 provision is not the appropriate vehicle.

1       Indeed, Apple suspects that Plaintiffs are attempting to backdoor this  
2 issue in through a proposed protective order provision precisely because the  
3 case law does not support a request for a discovery vendor's disqualification  
4 under the circumstances present here. In *Gordon v. Kaleida Health*, for  
5 example, a discovery vendor (D4) provided services to both the plaintiffs and  
6 the defendants *in the same matter*, and the court determined there was "no need  
7 to protect Defendants from the risk of possible prejudicial disclosure of  
8 Defendants' confidential information as a result of D4's providing ESI  
9 consulting services to Plaintiffs." 2013 WL 2250506, at \*10 (W.D.N.Y. May  
10 21, 2013). Here, Consilio did not provide any discovery services to Plaintiffs in  
11 connection with the present lawsuit—and, therefore, this is even more of a  
12 clear-cut case than the *Gordon* case involving services provided to both the  
13 plaintiffs and the defendants in the *same* matter. Consilio's services for  
14 Plaintiffs on the related *True Wearables* lawsuit were minimal and short-lived.  
15 And Consilio's services for Plaintiffs in the *Sotera* lawsuit were for a matter that  
16 Plaintiffs have steadfastly represented has nothing to do with this case.

17       With respect to the *True Wearables* case, to which Apple is not a party,  
18 approximately a year and a half ago, Plaintiffs' counsel sent Consilio a  
19 comparatively small amount of data. Consilio processed and hosted that data  
20 from Plaintiffs *but never reviewed* the data. After a few months of no activity,  
21 Plaintiffs' counsel asked Consilio to return the data—because Plaintiffs had  
22 decided to host the data through their outside counsel—and Consilio complied.  
23 Consilio later informed Plaintiffs' counsel that it would work with Apple, not  
24 Plaintiffs, on any matters involving Masimo where Apple is a defendant  
25 (including this case). Consilio no longer has possession of any of Plaintiffs'  
26 data from *True Wearables*, did not review any of the small amount of *True*  
27 *Wearables*-related data that it previously received from Plaintiffs, and has not  
28 performed any work for Plaintiffs in connection with the present case.

1 Plaintiffs’ reference to the *Sotera* matter is even more perplexing. As  
2 Apple explained to Plaintiffs during multiple meet and confers, the *only* reason  
3 Apple propounded a discovery request in this case that mentioned the *Sotera*  
4 matter is because *Sotera* involved allegations of trade secret misappropriation  
5 by Plaintiff Masimo. Given the vague nature of Plaintiffs’ allegations of their  
6 purported trade secrets in this case, Apple had no basis to rule out the potential  
7 relevance of any other claim of trade secret misappropriation brought by either  
8 Plaintiff, including by Plaintiff Masimo in the *Sotera* case. As soon as Plaintiffs  
9 represented to Apple that they *did not believe* that any of the trade secrets  
10 alleged in *Sotera* overlap with the purported trade secrets alleged in this case,  
11 Apple agreed not to further pursue the request—but reserved all rights because  
12 Plaintiffs’ representation was not a conclusive or definitive one. In any event,  
13 Plaintiffs’ repeated position has been that *Sotera* is not relevant to this lawsuit,  
14 and Apple has not pressed the issue (and has no plans to do so, particularly now  
15 that the trade secret claim has been dismissed). Plaintiffs’ reference to *Sotera* in  
16 this submission therefore is surprising, to say the least—as is Plaintiffs’  
17 suggestion that Apple would agree or concede that Consilio has obtained  
18 “privileged information” about “Masimo’s strategies for litigating trade secret  
19 cases” that would preclude Consilio from serving as a discovery vendor for  
20 Apple in this case. Apple *disagrees* with that assertion, and believes the case  
21 law is clear that the facts at issue here do not create a conflict that warrants  
22 Consilio’s exclusion, let alone an unprecedented protective order provision with  
23 the same effect.

24 Plaintiffs’ efforts to disqualify Apple’s discovery vendor through a  
25 proposed protective order provision are meritless. If Plaintiffs have non-  
26 frivolous concerns about Apple’s use of Consilio in this case, they can file a  
27 properly noticed motion. That will give Apple a full and fair opportunity to  
28 respond—including with citations to all of the case law that refutes Plaintiffs’

1 argument, with a response to Plaintiffs’ bald assertion that Apple “will suffer no  
2 prejudice from simply using a different e-discovery consultant,” which is false,  
3 and with a declaration from Consilio that, among other things, refutes Plaintiffs’  
4 suggestion that Consilio has reviewed or continues to have possession of  
5 Plaintiffs’ privileged information.<sup>6</sup> A disqualification ruling does not belong in  
6 a protective order provision.<sup>7</sup>

7 **F. Section 9.3 – Use of Highly Confidential Information**

8 The Parties’ dispute on Section 9.3 is shown below, with underlined text  
9 showing Apple’s proposed additions to Plaintiffs’ proposal and strikethrough  
10 text showing Apple’s proposed deletions to Plaintiffs’ proposal:

11 9.3. Disclosure of “HIGHLY CONFIDENTIAL –  
12 ATTORNEYS’ EYES ONLY” Information or Items. Unless  
13 otherwise ordered by the court or permitted in writing by the  
14 Designating Party, a Receiving Party may disclose any information  
15 or item designated “HIGHLY CONFIDENTIAL – ATTORNEYS’  
16 EYES ONLY” only to the individuals identified in Paragraphs 9.2  
17 (a), (c)-(i), ~~who are not competitive decision makers of a Party.~~  
18 provided that such Outside Counsel under Paragraph 9.2(a) is not  
19 involved in competitive decision-making, as defined by *U.S. Steel*  
20 *v. United States*, 730 F.2d 1465, 1468 n.3 (Fed. Cir. 1984), on

21 \_\_\_\_\_  
22 <sup>6</sup> Apple has not submitted a declaration from Consilio with this Joint  
23 Stipulation given its position that this dispute is not ripe for adjudication in  
24 connection with protective order briefing. Apple certainly will be prepared with  
25 such a declaration if and when the Court considers this issue, and therefore  
26 respectfully requests an opportunity to submit such a declaration at the  
27 appropriate time—before the Court decides this issue.

28 <sup>7</sup> Adding a “notice and objection” provision like the one alternatively  
proposed by Plaintiffs will serve only to kick the can down the road on the same  
(meritless) issue, and therefore should be rejected.

1 behalf of a Party or a competitor of a Party and such proposed  
2 Outside Counsel did not, at the time the lawsuit was filed or within  
3 the previous two (2) years from the date the lawsuit was filed, have  
4 a business or ownership interest in a Party (i.e., was not a Board  
5 member, Director, officer, employee, or hold a title with a Party).  
6 Additionally, whether Plaintiffs' trade secret disclosure under  
7 California Code of Civil Procedure Section 2019.210 is designated  
8 "CONFIDENTIAL" or "CONFIDENTIAL – ATTORNEYS'  
9 EYES ONLY," access to said disclosure shall be permitted for  
10 three (3) Apple House Counsel.

11 **1. Plaintiffs' Position**

12 Plaintiffs again propose language similar to the language this Court  
13 adopted in *True Wearables*. Compare Powell Decl., Ex. 2 (Plaintiffs' proposal)  
14 at 16 with Ex. 13 (*True Wearables*) at 8. Apple replaced that language with a  
15 proposal that (a) seeks to prevent certain of Plaintiffs' *outside* counsel from  
16 accessing "Highly Confidential" information, yet (b) seeks to allow three of  
17 Apple's *in-house* counsel access to Plaintiffs' "Highly Confidential" trade secret  
18 information in Plaintiffs' Section 2019.210 statement. *Id.*, Ex. 4 at 17. The  
19 Court should adopt Plaintiffs' proposal on both issues.

20 **a. The Court Should Reject Apple's "Relationship"**  
21 **Restriction**

22 Apple proposes language that is nearly identical to the language this  
23 Court previously rejected in *True Wearables*. In that case, the defendant asked  
24 this Court to allow access only to individuals who, within two years prior to  
25 filing suit, did "not have a business or ownership interest in a Party (*i.e.*, not  
26 competitive decision makers, Board members, Directors, employees, owners,  
27 shareholders, or affiliates of a Party)." Powell Decl., Ex. 12 at 9. The  
28 defendants were trying to prevent Stephen Jensen from participating in the case.

1 After extensive briefing, this Court rejected the defendants’ proposal and  
2 adopted language similar to the language Plaintiffs propose in this case, which  
3 bars only “competitive decisionmakers.” *Id.*, Ex. 13 at 8. This Court then  
4 rejected the defendants’ direct challenge to Jensen and concluded he was *not* a  
5 “competitive decisionmaker.” *Id.*, Ex. 14 at 5-6.

6 Here, Apple proposes language that is nearly identical to the language this  
7 Court previously rejected. In particular, Apple seeks to allow access only to  
8 individuals who, within two years prior to filing suit, did not “have a business or  
9 ownership interest in a Party (i.e., was not a Board member, Director, officer,  
10 employee, or hold a title with a Party).” Powell Decl., Ex. 4 at 17. Apple has  
11 not explained why this provision is necessary or provided any factual or legal  
12 basis, whatsoever, for this provision. Indeed, Apple recently stipulated to a  
13 protective order without such language. *See Pinn* (Powell Decl., Ex. 17) at 8. It  
14 appears Apple is proposing this unusual language to exclude Jensen because  
15 Apple added the language to its proposal as the parties in *True Wearables* were  
16 litigating the same issue. Moreover, it does not appear that any of Plaintiffs’  
17 other outside counsel could be impacted by this provision. Thus, while  
18 Plaintiffs are in the dark as to Apple’s reason or basis for this provision,  
19 Plaintiffs will direct their arguments towards Jensen in particular.

20 To restrict access to highly confidential information, Apple has the  
21 burden of showing an unacceptably high risk of inadvertent disclosure. *See*  
22 *Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465, 1470 (9th Cir. 1992).  
23 Apple also bears “the burden of showing that specific prejudice or harm will  
24 result from the disclosure of each document (or item of information) that it  
25 seeks to protect.” *Nutratech, Inc. v. Syntech (SSPF) Int’l, Inc.*, 242 F.R.D. 552,  
26 554 (C.D. Cal. 2007) (citing *Foltz v. State Farm Mut. Auto. Ins. Co.*, 331 F.3d  
27 1122, 1130 (9th Cir. 2003)). The district court must balance the risk of the  
28 disclosure against the risk to the receiving party that the denial of access would



1 impair prosecution of its claims. *Brown Bag*, 960 F.2d at 1470; *see also In re*  
2 *Deutsche Bank*, 605 F.3d 1373, 1380 (Fed Cir. 2010). Apple cannot satisfy any  
3 of those requirements here.

4 **i. Apple Cannot Show Jensen Will Inadvertently**  
5 **Disclose Protected Material**

6 To evaluate the risk of inadvertent disclosure, the Court should examine  
7 “the factual circumstances surrounding [Jensen’s] activities, association, and  
8 relationship with a party.” *U.S. Steel*, 730 F.2d at 1468. A “crucial factor” is  
9 whether Jensen is “involved in ‘competitive decisionmaking’; that is advising  
10 on pricing or design ‘made in light of similar or corresponding information  
11 about a competitor.’” *Brown Bag*, 960 F.2d at 1470 (quoting *U.S. Steel*, 730  
12 F.2d at 1468 n.3). Here, this Court recently determined Jensen is not involved  
13 in “competitive decisionmaking” for Plaintiffs. Powell Decl., Ex. 14 at 5-6; *see*  
14 *also* Jensen Decl. ¶ 10; Kiani Decl. ¶ 6.

15 A protective order also mitigates risk because courts presume attorneys  
16 will abide by protective orders and not expose themselves to contempt  
17 sanctions. *Coventry First LLC v. 21st Servs.*, No. 05CV2179-IEG (NLS), 2005  
18 WL 8173350, at \*5 (S.D. Cal. Dec. 22, 2005) (“[I]n the absence of any actual  
19 evidence of bad faith, the Court declines to presume [the attorneys] will disclose  
20 [the] confidential information, thereby breaching the protective order and  
21 exposing themselves to contempt sanctions.”) (*citing Truswal Sys. Corp. v.*  
22 *Hydro-Air Eng’g, Inc.*, 813 F.2d 1207, 1211 (Fed. Cir. 1987)). Not only have  
23 the parties agreed to a protective order, they even agree on barring Jensen and  
24 the rest of Plaintiffs’ litigation team from engaging in patent prosecution.

25 At most, Apple may show Jensen is in contact with corporate officers  
26 who make competitive decisions. But that is not enough. *See Matsushita Elec.*  
27 *Indus. Co. v. United States*, 929 F.2d 1577, 1580 (Fed. Cir. 1991) (finding  
28 “largely irrelevant” regular contact with corporate officials who make policy or

1 competitive decisions). Rather, “the factual circumstances surrounding each  
2 individual counsel’s activities, association, and relationship with a party . . .  
3 must govern any concern for inadvertent or accidental disclosure.” *U.S. Steel*,  
4 730 F.2d at 1468 (“Whether an unacceptable opportunity for inadvertent  
5 disclosure exists, however, must be determined, as above indicated, by the facts  
6 on a counsel-by-counsel basis”).

7 Interaction with decision makers is insufficient because the issue does not  
8 turn on the functions of the people a lawyer meets with, but on the functions of  
9 the lawyer. As the Federal Circuit observed, “the standard is not ‘regular  
10 contact’ with other corporate officials who make ‘policy,’ or even competitive  
11 decisions, but ‘advice and participation’ in ‘competitive decisionmaking.’” *Id.*  
12 at 1580. Lead litigation lawyers regularly report to boards and corporate  
13 officers about ongoing litigation, despite the lawyers having access to highly  
14 confidential information and the boards and officers engaging in competitive  
15 decision-making. The point is that the people who have access to the highly  
16 confidential information are not the people making the competitive decisions. If  
17 the standard were physical proximity to, or regular interaction with, competitive  
18 decision makers, no lead litigation counsel would ever see confidential  
19 information.

20 Apple cannot meet its burden of showing Jensen, or any other lawyer at  
21 Knobbe Martens, poses an unacceptably high risk of inadvertent disclosure.

22 **ii. Apple Cannot Show It Will Suffer Harm**

23 Apple also has not even attempted to meet its “burden of showing that  
24 specific prejudice or harm will result from the disclosure of each document (or  
25 item of information) that it seeks to protect.” *Nutratech*, 242 F.R.D. at 554.  
26 Apple’s proposed language does not specify any particular information Jensen  
27 should be excluded from viewing. Apple also failed to explain any particular  
28 harm that Apple would suffer from Jensen viewing such information.



Exclusion of Jensen would also prejudice Plaintiffs. *See In re Deutsche Bank*, 605 F.3d 1373, 1380 (Fed. Cir. 2010) (“[T]he district court must balance [the risk of disclosure] against the potential harm to the opposing party from restrictions on that party’s right to have the benefit of counsel of its choice”). Jensen has served as Masimo’s outside counsel for over twenty-five years. *See* Kiani Decl. ¶ 4; Jensen Decl. ¶ 2. During that time, Jensen has represented Plaintiffs in numerous cases involving Masimo’s direct competitors and the exchange of highly confidential information. Jensen Decl. ¶ 3. Plaintiffs rely heavily on Jensen to evaluate and manage all of their intellectual property litigation and other litigation concerning the companies’ technologies. *Id.* ¶¶ 6-7; Kiani Decl. ¶¶ 4-5. Over the years, Jensen has gained extensive knowledge of Plaintiffs’ technology. This has given him a unique ability to readily discern when others are using that technology, assuming, of course, he can see the relevant evidence. No other lawyer has Jensen’s breadth of understanding of Plaintiffs’ technology and trade secrets. Kiani Decl. ¶¶ 5, 9; Jensen Decl. ¶ 5-6, 9-10.

Although numerous opponents have tried to deprive Masimo of Jensen's leadership in litigation, they have never succeeded. Every court to address this issue has allowed Jensen access to highly confidential materials or information. Jensen Decl. ¶ 4. Indeed, this Court twice rejected the *True Wearables* defendants' attempts to bar Jensen from accessing highly confidential information. Powell Decl., Exs. 22 and 23. Additionally, Apple's outside counsel in this case unsuccessfully attempted to exclude Jensen on behalf of another client in another case. *Id.*, Ex. 18 at 24-25. This recurrence suggests that Plaintiffs' adversaries, including Apple, are well aware that depriving Plaintiffs of their experienced choice of counsel would severely prejudice Plaintiffs.

Jensen is accustomed to abiding by protective orders, appropriately handling and maintaining designated materials, and ensuring that he never reveals those materials, or the confidential information they contain, to his clients. Jensen Decl. ¶¶ 5 and 9; Kiani Decl. ¶ 10. Moreover, when appropriate, Jensen uses the best safeguard possible—he refrains from engaging in any discussion that could arguably implicate any information revealed to him under a protective order—as should any other outside lawyer. Jensen Decl. ¶ 5; Kiani Decl. ¶ 10. Because the actual prejudice to Plaintiffs outweighs any alleged—although unexplained—harm to Apple, this Court should reject Apple’s proposed restriction.

**b. The Court Should Reject Apple’s Attempt to Provide Plaintiffs’ Trade Secrets To Its In-House Counsel**

Apple argued Plaintiffs’ Section 2019.210 disclosure must be detailed and that this particular case requires a “more exacting level of particularity” than standard trade secret cases. Powell Decl., Ex. 25 at 21 n.1. Despite advocating for such a high standard, Apple insists that three of its *in-house* lawyers should have access to the highly confidential trade secrets set forth in Plaintiffs’ Section 2019.210 disclosure. *Id.*, Ex. 4 at 17. Apple provides no support or justification for requiring Plaintiffs to disclose *trade secrets* to Apple employees. Apple’s proposal thus creates a significant risk of further misappropriation of Plaintiffs’ trade secrets.

“Requiring a party to rely on its competent outside counsel does not create an ‘undue and unnecessary burden’” *See Intel Corp. v. VIA Techs., Inc.*, 198 F.R.D. 525, 529 (N.D. Cal. 2000) (rejecting Intel’s request to allow its in-house counsel access to highly confidential material because Intel was represented by competent outside counsel); *see also CytoSport, Inc. v. Vital Pharm., Inc.*, 2010 WL 1904840, at \*2 (E.D. Cal. May 10, 2010) (rejecting request for outside counsel to view confidential material because forcing

1 defendant to “rely on competent outside counsel does not create an ‘undue and  
2 unnecessary burden,’ sufficient to demonstrate actual prejudice”). Here, Apple  
3 is represented by Gibson Dunn, which claims it has 20 offices, 1300+ lawyers,  
4 and “129 years of excellence.” See <https://www.gibsondunn.com> (accessed  
5 June 19, 2020). Apple will suffer no prejudice from denying Apple’s in-house  
6 counsel access to Plaintiffs’ trade secrets.

7 Apple’s proposal also highlights its continued lopsided approach to  
8 litigating this case. Apple is simultaneously seeking to prevent one of  
9 Plaintiffs’ *outside* counsel from accessing all highly confidential information  
10 while providing three of Apple’s *in-house* counsel access to Plaintiffs’ *trade*  
11 *secrets*. See Powell Decl., Ex. 4 at 17. Nothing supports such a one-sided and  
12 inequitable proposal. The Court should adopt Plaintiffs’ proposal.

13 **2. Defendant’s Position**

14 The parties have two disputes over which individuals should receive  
15 access to another party’s highly confidential information. *First*, Apple seeks  
16 entry of a protective order that denies access of its highly confidential and  
17 sensitive “attorneys’ eyes only” documents to a party’s outside counsel who are  
18 competitive decision-makers or have served on a party’s Board of Directors  
19 within the last two years. This request is a reasonable and necessary measure to  
20 protect Apple’s valuable technical information from inadvertent disclosure or  
21 misuse. *Second*, to the extent Plaintiffs replead their trade secret claim, Apple  
22 seeks to have a limited number of its in-house counsel receive access to  
23 Plaintiffs’ alleged trade secrets, given the integral role in-house counsel is  
24 playing in the defense of this matter.

1                   a.     **This Court Should Bar Those Who are Either**  
2                             **Competitive Decision-Makers Or Are Present Board**  
3                             **Members Or Were Board Members Within The Last**  
4                             **Two Years From Accessing Confidential Materials**

5             The parties agree that this action will involve disclosure of trade secret  
6     and other confidential and proprietary information; the parties disagree as to  
7     whether outside counsel who are competitive decision-makers or serve on a  
8     party's Board of Directors should be permitted access to highly confidential  
9     documents designated by Apple as "Attorneys' Eyes Only." In support of their  
10    argument that such persons should have access, Plaintiffs rely on their briefing  
11    in the *True Wearables* case. However, Apple was not a party to that briefing  
12    and Plaintiffs' attempts to liken this case to *True Wearables* fails in any event.  
13    In *True Wearables*, Plaintiffs asserted trade secret and infringement claims  
14    against the six-year old medical device start-up True Wearables, Inc. This is an  
15    inapposite comparison to the present case with Apple, one of the largest  
16    technology companies in the world. The accused products in this case, the  
17    Apple Watch Series 4 and 5, are extremely successful and valuable products  
18    already in the wearables space—far different than the fledgling startup in *True*  
19    *Wearables*.

20            Ninth Circuit precedent is clear that district courts may preclude access to  
21    a party's confidential and proprietary information from those involved in an  
22    opposing party's competitive decision-making. *Brown Bag Software v.*  
23    *Symantec Corp.*, 960 F.2d 1465, 1470 (9th Cir. 1992). The Federal Circuit has  
24    defined what "competitive decision-making" means,<sup>8</sup> and, to avoid any doubt as

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25  
26            <sup>8</sup> Competitive decision-making is "[s]horthand for a counsel's activities,  
27    association, and relationship with a client that are such as to involve counsel's  
28    advice and participation in any or all of the client's decisions . . . made in light  
  of similar or corresponding information about a competitor." See *U.S. Steel*

1 to its meaning, Apple’s proposal explicitly incorporates that definition. Mr.  
2 Jensen, is a long-time contributor to Plaintiffs’ competitive decision-making.  
3 Mr. Jensen’s extensive participation in Plaintiffs’ business enterprises creates an  
4 untenable risk that his access to Apple’s confidential information will lead to the  
5 inadvertent disclosure to those most capable of misusing Apple’s information.  
6 But excluding competitive decision makers alone is not enough to resolve the  
7 dispute, because Plaintiffs argue that one of their outside counsel, Mr. Jensen,  
8 should not meet the Court’s definition of a competitive decision maker, a  
9 position that Apple strongly disputes. Rather than defer that issue to a later  
10 discovery dispute, Apple’s proposed protective order also explicitly excludes  
11 current Board Members and those that have served in that role within the last  
12 two years, which would exclude Mr. Jensen since he is a current member of the  
13 Board of Directors of Plaintiff Cercacor. Restricting access from Board  
14 members has been consistently upheld in cases in which courts have been asked  
15 to impose those restrictions because participation at Board meetings “present[s]  
16 an unacceptable opportunity for the inadvertent disclosure of confidential  
17 information” because of the conflicting duty of disclosure inherent in Board  
18 service and an individual’s consent to abide by a protective order. *See, e.g.,*  
19 *Meridian Enters. Corp. v. Bank of Am. Corp.*, 2008 WL 474326, at \*4 (E.D.  
20 Mo. Feb. 15, 2008); *Norbrook Labs., Ltd. v. G.C. Hanford Mfg. Co.*, 2003 WL  
21 1956214 (N.D.N.Y. April 24, 2003).

22 Here, good cause exists for granting Apple’s protective order. *First*, the  
23 nature and pervasive scope of Mr. Jensen’s involvement with Plaintiffs’  
24 business enterprises cannot be adequately separated from his concurrent role in  
25 Plaintiffs’ wider litigation licensing business in a way that will otherwise ensure  
26 the confidentiality of Apple’s information. *Second*, Mr. Jensen’s service on

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27  
28 *Corp. v. United States*, 730 F.2d 1465, 1468 & n.3 (Fed. Cir. 1984).

1 Plaintiff Cercacor's Board of Directors and its attendant fiduciary duty to that  
2 Board evince the conflict of interests inherent in allowing him access to Apple's  
3 confidential trade secret information. *Third*, the balance of hardships clearly  
4 favors Mr. Jensen's exclusion in this case. The harm to Apple of inadvertent  
5 disclosure of its most confidential information to Plaintiffs is substantial, given  
6 that this information is its "crown jewel," disclosure to other companies of  
7 which would create substantial harm to Apple. *See* Corp. Couns. Gd. To  
8 Software Trans. § 8:2; *see also, e.g., buySAFE, Inc. v. Google, Inc.*, No. 3:13-  
9 CV-781, 2014 WL 2468553, at \*2 (E.D. Va. June 2, 2014). By contrast,  
10 Mr. Jensen's exclusion would pose little harm to Plaintiffs, who employ a  
11 variety of highly competent counsel (over fifteen partners and associates have  
12 appeared on filings and meet and confers in this case) to represent them in this  
13 and other cases. Accordingly, an order preventing Mr. Jensen and others  
14 similarly situated from viewing Apple's confidential information will not  
15 meaningfully impair Plaintiffs' ability to conduct this litigation; it will simply  
16 prevent the inadvertent misuse or disclosure in other existing or potential  
17 litigation of confidential information obtained from this litigation.

18 **i. The Relationship Between Mr. Jensen And**  
19 **Plaintiffs Presents An Unacceptable Risk Of**  
20 **Inadvertent Disclosure Of Confidential**  
21 **Information In This Case**

22 The decision to exclude counsel from discovery requires an assessment in  
23 each case of "the risk of inadvertent disclosure." *In re Matsushita Electric*  
24 *Industrial Co. v. United States*, 929 F.2d 1577, 1579 (Fed. Cir. 1994) (quoting  
25 *U.S. Steel Corp.*, 730 F.2d at 1468). That risk, in turn, "must be determined . . .  
26 by the facts on a counsel-by-counsel basis." *Id.* Although the Federal Circuit  
27 has stated that the key inquiry in evaluating that risk involves determining  
28 whether the lawyer is involved in his client's "competitive decision making," it

1 has also made clear that that term is simply “shorthand” for broader  
2 considerations relevant to assessing the risk of inadvertent disclosure, such as “a  
3 counsel’s activities, association, and relationship with a client that are such as to  
4 involve counsel's advice and participation in any or all of the client's decisions.”  
5 *U.S. Steel Corp.* 730 F.2d at 1468 n.3. As one court has noted, “involvement in  
6 competitive decisionmaking, while an important consideration [under *U.S. Steel*  
7 *Corp.*], is not necessarily the exclusive one,” and proper analysis under *U.S.*  
8 *Steel* involves a “careful and comprehensive inquiry” into the lawyer's “role in  
9 the affairs of [his client's] company, his association and relationship with those  
10 in the corporate hierarchy who are competitive decisionmakers, and any other  
11 factor that enhances the risk of inadvertent disclosure.” *Autotech Techs. Ltd.*  
12 *P’ship v. AutomationDirect.com, Inc.*, 237 F.R.D. 405, 408 (N.D. Ill. 2006).

13 Therefore, the determination of whether Mr. Jensen may be excluded  
14 from access to confidential information involves a factual inquiry into whether  
15 his “activities, association, and relationship” with Plaintiffs “are such as to  
16 involve counsel’s advice and participation in any or all” of Plaintiffs’ decisions  
17 in operating their licensing business. *U.S. Steel Corp.*, 730 F.2d at 1468 n.3.

18 Over the course of Mr. Jensen’s longstanding representation of Plaintiffs,  
19 Mr. Jensen has served as both a day-to-day and long-term strategy advisor. He  
20 has evaluated the companies’ intellectual property portfolios and overseen legal  
21 due diligence, and he also served as Masimo’s acting Senior Vice President of  
22 OEM Business, Business Development and General Counsel. See Biography of  
23 Steve Jensen, accessible at <https://www.knobbe.com/attorneys/steve-jensen>. It  
24 was in this capacity that Mr. Jensen made business decisions relating to the  
25 manufacture of Masimo’s equipment and components.

26 In a 2020 declaration describing Mr. Jensen’s role as Plaintiffs’ attorney,  
27 the former Chief Technology Officer at Masimo Corporation stated Mr. Jensen  
28 “would advise Masimo about when to file patent applications, where to file



1 patent applications, whether to pursue continuations, and other decisions related  
2 to creating patent portfolio value.” *Masimo Corp. v. True Wearables*, No. 3:18-  
3 CV-02001-JVS-JDE, Dkt. 82-6, Ex. 6 at ¶ 4 (Mar. 16, 2020). Indeed,  
4 Mr. Jensen is listed as an attorney of record before the USPTO on each of the  
5 patents-in-suit and thus, may become a witness in this litigation, as the  
6 prosecuting patent attorney may sometimes be deposed regarding the statements  
7 made to the Patent and Trademark Office.

8 Taken together, these facts create a situation in which Mr. Jensen’s  
9 experience as a business decision-maker is impossible to separate from his role  
10 as Plaintiffs’ outside counsel. Given the depth of his involvement and  
11 investment in Plaintiffs’ business, Mr. Jensen should not be permitted to access  
12 Apple’s highly confidential information.

13 **ii. The Nature of Mr. Jensen’s Service on Cercacor’s**  
14 **Board of Directors Conflicts With The Obligation**  
15 **To Remain Silent Under A Protective Order**

16 Directors are fiduciaries of a corporation and, as such, occupy positions  
17 of trust and confidence on which corporate officials must rely. *In re Allegheny*  
18 *Int’l, Inc.*, 954 F.2d 167, 180 (3d Cir. 1992). A significant part of a director’s  
19 duty of loyalty is to disclose to other decision-makers all information in his  
20 possession germane to a transaction at issue. *Id.*

21 A Board member’s duty of disclosure arises from a director’s general  
22 duties of care, good faith, and loyalty to the corporation, and the duty of  
23 disclosure requires that directors “disclose fully and fairly all material  
24 information within the board’s control.” *Skeen v. Jo-Ann Stores*, 750 A.2d 1170  
25 (Del. 2000). The American Bar Association’s Corporate Director’s Guidebook  
26 states that corporate directors have the following duty of disclosure:

27 As fiduciaries, directors have an obligation to take  
28 reasonable steps to ensure that shareholders are

1 furnished with all relevant material information known  
2 to the directors ... . Likewise, directors also have the  
3 duty to information their fellow directors and  
4 management about information known to the director  
that is relevant to corporate decisions.

5 ABA Section of Business Law, Corporate Director's Guidebook Fifth Edition,  
6 § 3(C)(4) (2007) (Exhibit A).

7 Apple's proposal seeks to exclude outside counsel with service on a  
8 Party's or a competitor of a Party's Board of Directors. The reason for this is  
9 because such counsel bear fiduciary duties of disclosure to their Board of  
10 Directors, yet must also abide by their ethical obligations as attorneys to the  
11 protective order. To permit these oft-conflicting commitments unnecessarily  
12 jeopardizes the security of Apple's most sensitive information.

13 Plaintiffs seek to invite these very risks by requesting that Mr. Jensen,  
14 member of both Cercacor's Board of Directors and Masimo's Board of  
15 Directors of the Masimo Foundation for Ethics, Innovation and Competition in  
16 Healthcare, receive access to Apple's highly confidential information.  
17 Plaintiffs' contentions that Mr. Jensen does not make business decisions would  
18 mean that he does not fulfill his obligations to either Board as a director and  
19 thus, cannot mean what they said. Directors are required to make decisions  
20 related to the business of the corporation in order to fulfill their fiduciary  
21 obligations. Mr. Jensen's duties of disclosure inherent in his service on the  
22 Boards of both Plaintiffs directly fan the flames of the risks created in granting  
23 Mr. Jensen access to Apple's protected information. The confidential technical  
24 information about Apple's business which Mr. Jensen learns through an  
25 "attorneys' eyes only" disclosure constitutes information that would be relevant  
26 to a variety of Plaintiffs' corporate decisions. As such, Mr. Jensen's fiduciary  
27 duty to disclose such information would obligate Mr. Jensen to inform the other  
28 directors of Cercacor about any confidential "attorneys' eyes only" information

1 of Apple's that was also relevant to Cercacor's corporate decisions.  
2 Accordingly, Courts have recognized that there is direct conflict between  
3 outside counsel's obligations to abide by a protective order and his simultaneous  
4 fiduciary duty to the corporation as a Board member and have uniformly refused  
5 to allow access by individuals such as Mr. Jensen to the highly  
6 confidential/trade secret information of another party. *See Norbrook Labs. Ltd.*  
7 *v. G.C. Hanford Mfg. Co.* 2003 WL1956214, at \*5 (N.D.N.Y. Apr. 24, 2003)  
8 ("While the court does not doubt [outside counsel and Board member] Mr.  
9 Heath's assurances that he will abide by the protective order, it cannot endorse a  
10 situation that places Mr. Heath's ethical obligations as an attorney in direct  
11 competition with his fiduciary duty to Hanford); *see also Meridian Enters.*  
12 *Corp. v. Bank of Am. Corp.*, 2008 WL474326, at \*3 (E.D. Mo. Feb. 15, 2008)  
13 (finding "that the risk of inadvertent disclosure is great because Mr. McMullin  
14 is both a shareholder of [Plaintiff] and a member of its Board of Directors, and  
15 therefore has a fiduciary duty to [Plaintiff] to disclose all information in his  
16 possession germane to issues discussed").

17 To the extent Plaintiffs may argue that they have no interest in Apple's  
18 underlying technology, that is false. Plaintiffs' contention is belied by the fact  
19 that Cercacor sells a device that "measures hemoglobin" and "are synced via  
20 Bluetooth to an app which can display trends over time." *See Medgadget @*  
21 *CES 2016: Cercacor's Ember Non-Invasive Hemoglobin Sensor*, Scott Jung,  
22 Medgadget (Jan. 8, 2016), [https://www.medgadget.com/2016/01/medgadget-](https://www.medgadget.com/2016/01/medgadget-ces-2016-cercacors-ember-non-invasive-hemoglobin-sensor.html)  
23 [ces-2016-cercacors-ember-non-invasive-hemoglobin-sensor.html](https://www.medgadget.com/2016/01/medgadget-ces-2016-cercacors-ember-non-invasive-hemoglobin-sensor.html); *see also*  
24 *Athletes can know their hemoglobin instantly with Ember* (Jan. 18, 2016),  
25 [https://www.sportswearable.net/athletes-can-know-their-hemoglobin-instantly-](https://www.sportswearable.net/athletes-can-know-their-hemoglobin-instantly-with-ember/)  
26 [with-ember/](https://www.sportswearable.net/athletes-can-know-their-hemoglobin-instantly-with-ember/) ("Cercacor has produced a wearable which will provide you with  
27 real-time data."). Plaintiffs' product is designed to interact with Apple's iPhone  
28 and the accused Apple Watch also interacts with the iPhone. The likelihood of

1 future overlap between the technology that the accused products practice and  
2 those of the products that Plaintiffs sell is increasing. Indeed, Cercacor's  
3 product and the Apple Watch are both wearables and are targeted to the  
4 consumer market. The wearable market is growing, especially as it relates to  
5 health-related applications. It is incredibly unfair and prejudicial for Cercacor  
6 to have a member of its Board of Directors with a fiduciary duty to steer that  
7 company in the right direction to have had access to Apple's highly confidential  
8 technical, financial, and source code information.

9 Assume, for example, that Cercacor is considering introducing a new  
10 feature that technical documentation from Apple shows to have been rejected as  
11 unsuccessful. By virtue of his access to Apple's highly confidential financial,  
12 technical, and source code information, Mr. Jensen knows that Apple has  
13 already rejected that feature as being unworkable. As a result, Mr. Jensen,  
14 sitting in the Board meeting considering the issue, knows that Cercacor will be  
15 wasting million dollars if it proceeds. Does he tell the Board and the  
16 shareholders? Mr. Jensen has a fiduciary duty to advise the company and at the  
17 same time, a prohibition from disclosing that information under the protective  
18 order in this case. That is why the concern is so acute for Board members. As  
19 explained in *Norbrook Labs*, Board members and those with competitive  
20 decision-making should be denied access to Apple's "attorneys' eyes only"  
21 highly confidential technical, financial, and source code information. 2003  
22 WL1956214, at \*5.

23 And where source code is involved, the risk is even greater. Indeed,  
24 Plaintiffs cite no cases in this court or the Federal Circuit where Board members  
25 of a reviewing party are subsequently allowed to view a competitor's guarded  
26 technical information.

This litigation involves sensitive and highly confidential technology present in the Accused Products (the Apple Watch Series 4 and 5). Thus, the confidential technical documents at issue is information that Apple must be careful not to allow to fall into the hands of those that may be interested in developing products that may compete with or otherwise exploit the technology in the Accused Products or drafting patent claims to read on those products. Any disclosure or improper use of Apple's confidential information by Mr. Jensen or any outside counsel, even if inadvertent, would severely harm Apple by revealing its proprietary technology. Indeed, Apple could lose the entire competitive advantage offered by its proprietary features if its source code were disclosed.

We emphasize, of course, that our concern is inadvertent disclosure. We do not question Mr. Jensen’s integrity as an officer of the court. But as the Federal Circuit has stated, “[i]nadvertence, like the thief-in-the-night, is no respecter of its victims.” *U.S. Steel Corp.*, 730 F.2d at 1468. Where counsel is, like Mr. Jensen, an integral part of his client’s litigation licensing enterprise, and is exposed to confidential information that may aid in advancing that enterprise, “compartmentalization of protected information is . . . ‘a feat beyond the compass of ordinary minds.’” *Autotech*, 237 F.R.D. at 408 (quoting *Shepard v. United States*, 290 U.S. 96 (1933)). Or, to put it more bluntly: “once knowledge has been gained, a person cannot perform a prefrontal lobotomy on himself.” *Id.* at 408 n.3.

The issue of inadvertent disclosure can take on additional significance in cases involving patents and trade secrets when the firm representing a party in litigation matters also represents the party in patent prosecution and other

1 intellectual property matters related to patent prosecution. *See In re Deutsche*  
2 *Bank Tr. Co. Ams.*, 605 F.3d 1373 (Fed. Cir. 2010). While Mr. Jensen says that  
3 he no longer is involved in patent prosecution for Plaintiffs, his partners and  
4 associates are. He works regularly with those colleagues in patent litigation  
5 matters and the risk of inadvertent disclosure within his firm is thus a significant  
6 concern. For attorneys involved in “making strategic decisions on the type and  
7 scope of patent protection that might be available or worth pursuing, . . .  
8 competitive decisionmaking may be a regular party of their representation.” *Id.*  
9 at 1380. In such instances, “the risk of inadvertent disclosure of competitive  
10 information learned during litigation is therefore much greater.” Even where an  
11 attorney is not directly involved in patent prosecution, these attorneys may have  
12 “the opportunity to influence the direction of prosecution,” and the risk of  
13 inadvertent disclosure may nonetheless arise. *Id.*

14 In short, granting Mr. Jensen unrestricted access to confidential  
15 information about Apple’s methods and systems would expose Apple to endless  
16 litigation, even if Mr. Jensen conducts himself entirely in good faith.

17 By contrast, denying Mr. Jensen access to confidential information would  
18 impose no significant harm on Plaintiffs. Plaintiffs retain highly competent  
19 outside counsel to conduct their litigation, and have more than adequate  
20 resources to retain additional counsel if they deem it necessary. Plaintiffs have  
21 other highly competent counsel that have been involved in this case since its  
22 beginning (and even in previous cases). Indeed, Mr. Jensen is not designated as  
23 lead counsel—that is the role of Mr. Joseph Re. The availability of competent  
24 outside counsel is typically sufficient to defeat any claim that exclusion of in-  
25 house counsel would unduly prejudice the nonmoving party. *See, e.g., A.*  
26 *Hirsch Inc. v. United States*, 657 F. Supp. 1297, 1305 (Ct. Int’l Trade 1987) (“in  
27 view of retained counsel’s competence, it is not clear how plaintiffs' position  
28 will be prejudiced by excluding [in-house] counsel from access”); *Brown Bag*

1 *Software*, 960 F.2d at 1471 (finding no prejudice where outside counsel had  
2 sufficient time and resources to review confidential materials and was  
3 competent). The balance of hardships, therefore, strongly favors denying  
4 Mr. Jensen access to Apple's confidential information.

5 **b. Apple's Provision Providing Trade Secrets to its In-**  
6 **House Counsel**

7 Plaintiffs argue that Apple's proposal would result in a one-sided  
8 approach whereby its in-house counsel would receive access to Plaintiffs'  
9 alleged trade secrets and Plaintiffs' in-house counsel would not receive the  
10 same. But by nature of their trade secret misappropriation claim, Plaintiffs have  
11 alleged that Apple already has possession of their trade secrets.<sup>9</sup> If Plaintiffs'  
12 trade secret information is already in Apple's possession, as Plaintiffs contend,  
13 then Plaintiffs should have no qualms about sharing that information with the  
14 persons at Apple directly involved in the defense of this lawsuit. And as Apple  
15 has explained repeatedly, a very limited number of Apple's in-house counsel  
16 need access to this information in a case where Plaintiffs have asserted a  
17 serious, high exposure claim of trade secret misappropriation against the  
18 company. Contrary to Plaintiffs' assertions, the competence of Apple's outside  
19 counsel does not absolve in-house counsel's need for access to this information.

20 Apple's in-house counsel is integrally involved in the defense of this  
21 lawsuit. They need to know the purported trade secrets that Plaintiffs contend  
22 were misappropriated (to the extent Plaintiffs replead that any purported trade  
23 secrets were in fact misappropriated by Apple) in order to advise on strategy—  
24 and, more importantly, to guide document collection and production, which  
25

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26 <sup>9</sup> Of course, Apple recognizes that the trade secret claim has been  
27 dismissed from this case. However, because the claim was dismissed with leave  
28 to replead, Apple wants to make sure that this protective order adequately serves  
its interests and needs in the event the claim is repleaded.



1 depends on the purported trade secrets actually at issue, if any. In-house  
2 counsel is overseeing document discovery, and therefore needs to know the  
3 identity of the purported trade secrets so that it can manage the search for  
4 responsive documents, and also prevent disclosure of *Apple's* trade secrets.

5 Moreover, Apple genuinely does not believe that it possesses any of  
6 Plaintiffs' trade secrets—nor does Apple want any of Plaintiffs' trade secrets.  
7 In-house counsel needs to know what information Plaintiffs claim Apple  
8 misappropriated, if any, so that it can address the allegations internally and  
9 excise any alleged trade secrets from Apple products as soon as possible. In-  
10 house counsel cannot do so without any information about the particular,  
11 alleged trade secrets at issue in this case—thereby hindering Apple's ability to  
12 mitigate damages to the extent Plaintiffs have a valid misappropriation claim, as  
13 is Apple's duty under the law. For these reasons, it is incredibly common for  
14 parties in trade secret cases to agree that a limited number of in-house counsel  
15 will have access to attorneys' eyes only information, including the plaintiffs'  
16 Section 2019.210 disclosure. *See, e.g.,* Transcript of Case Management  
17 Proceedings, *Waymo LLC v. Uber Techs., Inc.*, No. C 17-00939 WHA (N.D.  
18 Cal. March 16, 2017), ECF. No. 63 (permitting disclosure of highly confidential  
19 materials to one in-house counsel upon his or her agreement to be bound by the  
20 protective order); Order at 10, *Bladeroom Grp. Ltd., et al., v. Facebook, Inc.*,  
21 No. CV-15-01370-EJD (N.D. Cal. Aug. 3, 2015) ECF No. 54 (permitting  
22 disclosure of attorneys' eyes only material to two designated in-house counsel  
23 who have no involvement in competitive decision-making, to whom disclosure  
24 is reasonably necessary for the litigation, and who have agreed to be bound by  
25 the protective order); *MMCA Grp., Ltd. v. Hewlett-Packard Co.*, 2009 WL  
26 595537, at \*1 (N.D. Cal. Mar. 5, 2009) (granting two of defendants' in-house  
27 attorneys access to attorneys' eyes only material given small risk of disclosure  
28 where the "attorneys who would be given access to AEO materials would be

litigation attorneys with no involvement” in defendants’ business affairs); *see also, e.g.,* Order at 10, *Mastronardi Int’l Ltd. v. SunSelect*, 18-cv-00737-AWI-JLT, 2019 WL 3996608, at \*9 (E.D. Cal. Aug. 23, 2019) ECF No. 60 (permitting disclosure of attorneys’ eyes only material to any number of designated in-house counsel who are not involved competitive decision-making, to whom disclosure is reasonably necessary for the litigation, and who have agreed to be bound by the protective order).

**G. Section 10 – Prosecution Bar**

The Parties’ proposals regarding the patent prosecution bar in Section 10 are not amenable to convenient redlining and are presented separately below.

**Plaintiffs’ proposal:**

After the adoption of this provision by the parties, Outside Counsel of Record and any person associated with a Party who receive a Producing Party’s material designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” under this Protective Order who accesses or otherwise learns of, in whole or in part, said material designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” under this Protective Order shall not prepare, prosecute, supervise, advise, counsel, or assist in the preparation or prosecution of any patent application seeking a patent on behalf of the Receiving Party or its acquirer, successor, or predecessor in the field of non-invasive monitoring during the pendency of this Action and for two years after final termination of this action. To avoid any doubt, “prosecution” as used in this paragraph does not include representing or advising a Party before a domestic or foreign agency in connection with a reissue, *ex parte*

1 reexamination, covered business method review, *inter partes*  
2 review, opposition, cancelation, or similar proceeding; though in  
3 connection with any such agency proceeding involving the patents-  
4 in-suit, Outside Counsel of Record for a Receiving Party shall not:  
5 (i) participate in the preparation, prosecution, supervision, advice,  
6 counsel, or assistance of any amended claims; (ii) reveal a  
7 Producing Party's Protected Material to any prosecuting  
8 reexamination counsel or agent; or (iii) use a producing Party's  
9 Protected Material for any purpose not permitted by Section 5.  
10 The applicability of this provision is to be determined on an  
11 individual-by-individual basis such that an individual attorney who  
12 has not received Protected Material designated "HIGHLY  
13 CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY  
14 CONFIDENTIAL – SOURCE CODE" is not restricted from  
15 undertaking any activities by virtue of this provision even if said  
16 individual attorney is employed by or works for the same firm or  
17 organization as an individual who has received such Protected  
18 Material.

19 **Apple's proposal:**

20 Plaintiffs' Language: Absent written consent from the Producing  
21 Party, any individual who receives access to "CONFIDENTIAL,"  
22 "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or  
23 "HIGHLY CONFIDENTIAL – SOURCE CODE" information  
24 shall not be involved, directly or indirectly, in the (i) prosecution  
25 of patents or patent applications relating to non-invasive  
26 physiological monitoring, including without limitation the patents  
27 at issue in this action and any patent or application claiming  
28 priority to or otherwise related to the patents at issue in this action,

1 before any foreign or domestic agency, including the United States  
2 Patent and Trademark Office (“the Patent Office”) or (ii) the  
3 acquisition of patents (including patent applications), or the rights  
4 to any such patents or patent applications with the right to  
5 sublicense, relating to the functionality, operation, and design of  
6 non-invasive physiological monitoring technologies. For purposes  
7 of this Paragraph, “prosecution” means advising on, consulting on,  
8 preparing, prosecuting, drafting, editing, and/or amending of patent  
9 applications, specifications, claims, and/or responses to office  
10 actions, or otherwise affecting the scope of claims in patents or  
11 patent applications relating to the functionality, operation, and  
12 design of non-invasive physiological monitoring technologies  
13 (generally or as described in any patent in suit), before any foreign  
14 or domestic agency, including the United States Patent and  
15 Trademark Office;. To avoid any doubt, “prosecution” as used in  
16 this Paragraph does not include providing patent prosecution  
17 counsel with public information to submit to the Patent Office.  
18 “Prosecution” as used in this Paragraph also does not include  
19 representing a party before a domestic or foreign agency in a  
20 patent challenge (including, but not limited to, a reissue protest, *ex*  
21 *parte* reexamination, *inter partes* reexamination, *inter partes*  
22 review, covered business method review, post-grant review or  
23 other patent office proceedings in the United States or elsewhere  
24 on behalf of a patentee but only if no amendments to the claims are  
25 made to the patent or patent application by anyone during that  
26 process. If an individual that has had access to  
27 “CONFIDENTIAL,” “HIGHLY CONFIDENTIAL –  
28 ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL –

SOURCE CODE” information and participates in a reissue protest, *ex parte* reexamination, *inter partes* reexamination, *inter partes* review, covered business method review, post-grant review, or other patent office proceedings in the United States or elsewhere on behalf of a patentee, the claims of the patent involved in such proceedings may not be amended by anyone without violating this protective order. These prohibitions are not intended to and shall not preclude counsel from participating directly or indirectly in proceedings on behalf of a Party challenging the validity of any patent. This Prosecution Bar shall begin when access to “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” information is first received by the affected individual and shall end two (2) years after final resolution of this action, including all appeals.

**1. Plaintiffs’ Position**

The parties agree to add a prosecution bar to the Court’s Model Order.<sup>10</sup> Plaintiffs propose the Court adopt a prosecution bar based on the language from *True Wearables*. Compare Powell Decl., Ex. 2 (Plaintiffs’ proposal) at 17-18 with Ex. 13 (*True Wearables*) at 18-19. The *True Wearables* prosecution bar is straightforward and properly allows both sides’ outside counsel to participate in post-grant patent proceedings before the Patent Office, but bars outside counsel from participating in amending the claims. Thus, Plaintiffs’ proposal prevents the inadvertent use of highly confidential information to amend claims without substantively prejudicing the patentee.

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<sup>10</sup> Apple’s proposal incorrectly and confusingly begins with the phrase “Plaintiffs’ Language.” That appears to be a typographical error.

1 Apple has previously *stipulated* to similar language in other cases. *Pinn*  
2 (Powell Decl., Ex. 17) at 15 (permitting “participation in inter partes review  
3 except to amend claims”). This Court also routinely includes similar language.  
4 *See Netflix* (Powell Decl., Ex. 19) at 13 (permitting participation in *inter partes*  
5 *review* proceedings, “but counsel may not participate in the drafting of any new  
6 or amended claims in any such proceeding”); *XR Comms.* (Powell Decl., Ex. 20)  
7 at 13 (same); *Uniloc 2017 LLC v. Microsoft Corp.*, No. 8:18-cv-02224-AG-  
8 JDE, Dkt. No. 30 (C.D. Cal. May 2, 2019) (Powell Decl., Ex. 23) at 10 (same).  
9 Indeed, other courts have rejected this same proposal by Apple in other cases,  
10 and adopted restrictions similar to Plaintiffs’ proposal. *LBT IP I LLC v. Apple*  
11 *Inc.*, No. 1-19-cv-01245, Dkt. No. 28 (D. Del. April 27, 2020) (Powell Decl.,  
12 Ex. 15) at 1 (rejecting Apple’s proposal and allowing outside counsel to  
13 participate in Patent Office proceedings as long as they are not involved in  
14 “direct or indirect claim drafting or claim amendment activity”); *Achates*  
15 *Reference Publishing, Inc. v. Symantec et al.*, No. 2:11-cv-294-JRG-RSP, Dkt.  
16 No. 447 (E.D. Tex. August 20, 2013) (Powell Decl., Ex. 16) at 1-2 (same).

17 Nevertheless, Apple proposes a one-sided and problematic prosecution  
18 bar. *See* Powell Decl., Ex. 4 at 18-20. Apple proposes that its outside counsel  
19 can always participate in all aspects of challenging Plaintiffs’ patents, but  
20 Plaintiffs’ outside counsel can be involved in such proceedings “**only if** no  
21 amendments to the claims are made to the patent or patent application by  
22 anyone during this process.” *Id.* at 19 (emphasis added). Apple also proposes  
23 that, if Plaintiffs’ outside counsel is involved in post-grant proceedings, “the  
24 claims of the patent involved in such proceedings may not be amended **by**  
25 **anyone** without violating this protective order.” *Id.* (emphasis added). Apple’s  
26 proposal unfairly forces Plaintiffs to choose between preserving their right to  
27 amend their claims during post-grant proceedings or using their preferred  
28 counsel.

1 Plaintiffs proposal also makes clear that the prosecution bar applies “on  
2 an individual-by-individual basis,” such that only individual attorneys who  
3 actually receive access to Highly Confidential information are barred from  
4 patent prosecution. *Id.*, Ex. 2 at 17-18. Other individuals at the same firm who  
5 have not received highly confidential information should not be restricted  
6 because such individuals present no risk of inadvertent use or disclosure. This  
7 language should be included to avoid any later argument that access by  
8 individual attorneys disqualifies the entire firm. The Court should adopt  
9 Plaintiffs’ proposal.

10 **2. Defendant’s Position**

11 The parties agree that a prosecution bar is appropriate for this matter  
12 because individuals granted access to confidential information, especially source  
13 code and other technical information, should not be permitted to use that  
14 information to prosecute patents. *See generally In re Deutsche Bank Tr. Co.*  
15 *Ams.*, 605 F.3d 1373, 1381 (Fed. Cir. 2010). The parties disagree, however, as  
16 to two issues. *First*, Apple proposes that the prosecution bar provisions should  
17 preclude attorneys and others that have seen Protected Material from  
18 participating in any Patent Trial Appeal Board (“PTAB”) proceedings such as  
19 *inter partes* review (“IPR”) proceedings that will involve claim amendments to  
20 avoid the risk of inadvertent disclosure of that confidential information during  
21 the process of amending the claims. *Second*, Apple’s position is that the  
22 prosecution bar should extend to the acquisition of patents because just as patent  
23 prosecution involves the risk that an attorney might inadvertently use another  
24 party’s confidential information to procure patent rights in new and pending  
25 applications based on that other party’s confidential information, so too can that  
26 attorney assist in buying patents that relate to the other party’s confidential  
27 information. Plaintiffs did not address this issue in their portion of the joint  
28 stipulation, but had previously rejected it during the meet and confer process.



1                   a.     **The Prosecution Bar Should Prohibit Those Who Receive**  
2                             **Apple's Confidential Information From Participating in**  
3                             **Inter Partes Review Unless The Patent Owner Does Not**  
4                             **Attempt to Amend Its Claims**

5             The parties dispute the extent to which the protective order should bar  
6 outside counsel who access another party's highly confidential materials from  
7 participating in IPR proceedings that involve claim amendments. Plaintiffs  
8 contend that such counsel should have full ability to participate in all non-  
9 amendment aspects of such proceedings. Apple does not object to Plaintiffs'  
10 counsel's participation in IPR proceedings that will not involve claim  
11 amendments. In that type of proceeding, the claims cannot be narrowed or  
12 modified in a way that improperly uses the other party's confidential  
13 information. But Apple does object to an attorney that receives confidential,  
14 highly confidential and source code material from an opponent from then being  
15 an attorney in an IPR where the claims of the patent the attorney is representing  
16 will be amended. For purposes of discussion, we will discuss this in the context  
17 of Apple's highly confidential information and Plaintiffs' counsel seeking to  
18 participate in representing Plaintiffs in IPRs that involve amendments. In that  
19 context, Apple's objections to allowing Plaintiffs' counsel that view its  
20 confidential, highly confidential, and source code information from participating  
21 in any IPR proceeding where the claims of the patent are amended is grounded  
22 in the same concern as barring the same counsel from actually amending the  
23 claims—the risk of inadvertent disclosure of information.

24             Plaintiffs' reliance on previous protective orders where Apple has  
25 stipulated not to include this additional protection misses the point. Prior  
26 experience has demonstrated to Apple the need for this additional level of  
27 protection due to the appearance of impropriety that arises in litigation counsel  
28 who are barred from working on claim amendments being co-counsel with

1 amendment counsel in the IPR and both sets of counsel signing onto the  
2 pleadings with the PTAB. The concern is particularly acute here because  
3 Plaintiffs are highly litigious companies that that have shown time and again  
4 that they are willing to sue companies they view as a threat to their business.  
5 Knobbe Martens, Plaintiffs' law firm in this litigation (and virtually all of  
6 Masimo's intellectual property cases), also handles all of Plaintiffs' patent  
7 prosecution and is intimately involved in their corporate strategy and decision-  
8 making. The need for heightened protection of Apple's Protected Material is  
9 particularly important here.

10 This issue has arisen in many cases, and courts frequently fashion  
11 protective orders that prohibit the participation by litigation counsel in any post-  
12 grant review proceedings, in any capacity.<sup>11</sup> Apple's proposal is much less  
13 restrictive, as it would permit Plaintiffs' litigation counsel who have had access  
14 to Protected Material to participate in post-grant review proceedings that do not  
15 involve claim amendments. To be clear, counsel that have seen Protected  
16 Material have to make a choice at the time an IPR or other PTAB proceeding is  
17 filed. That counsel can choose to appear as counsel for a patent owner in an IPR

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19 <sup>11</sup> See, e.g., *Boston Sci. Corp. v. Cook Grp. Inc.*, No. 15-980, 2017 WL  
20 547903, at \*2 (D. Del. Feb. 10, 2017); *Telebuyer, LLC v. Amazon.com, Inc.*, No.  
21 13-CV-1677, 2014 WL 5804334, at 5-\*7 (W.D. Wash. July 7, 2014); *buySAFE,*  
22 *Inc. v. Google, Inc.*, No. 3:13-CV-781, 2014 WL 2468553, at \*2 (E.D. Va. June  
23 2, 2014); *Bear Creek Technologies Inc. v. Verizon Services Corp.*, No. 12-CV-  
24 600, 2012 WL 3190762, at \*2 n.6 (D. Del. July 25, 2012); *Pragmatus AV, LLC*  
25 *v. Facebook, Inc.*, No. 5:11-CV-2168, 2012 WL 12355858, at \*1 (N.D. Cal. July  
26 5, 2012); *55 Brake, LLC v. Audi of Am.*, No. 1:CV 08-177-BLW, 2011 WL  
27 2747523, at \*1-\*2 (D. Idaho July 13, 2011); *Edwards Lifesciences AG v.*  
28 *CoreValve, Inc.*, No. 08-91-GMS, 2011 WL 10565589, at \*1 (D. Del. Feb. 23,  
2011); *Methode Electronics, Inc. v. Delphi Automotive Systems LLC*, No. 09-  
CV-13078, 2009 WL 3875980, at \*4 (E.D. Mich. 2009), *affirming and*  
*modifying in part magistrate's order*, 679 F. Supp. 2d 828, 835-36 (E.D. Mich.  
Jan. 19, 2010).

1 with the understanding that the claims of that patent will not be able to be  
2 amended even by other counsel involved in the IPR. If Plaintiffs believe that an  
3 amendment is going to be made, then it can hire other counsel that have not seen  
4 Apple’s confidential, highly confidential, and source code information to handle  
5 the IPR and make the amendments.

6 The protections Apple seeks are especially warranted in cases where, as  
7 here, the case concerns the disclosure of a company’s source code—valuable  
8 information that Apple considers the “crown jewels” of its intellectual property  
9 portfolio. *Unwired Planet LLC v. Apple Inc.*, No. 3:12-CV-00505-RCJ, 2013  
10 WL 1501489, at \*5 (D. Nev. Apr. 11, 2013). Such cases “may require the bar to  
11 extend to post-issuance proceedings because they involve highly confidential  
12 information, such as source code, which, if disclosed, could compromise the  
13 value of the disclosing party’s products.” *Mirror Worlds Techs., LLC v.*  
14 *Facebook, Inc.*, No. 17-CV-3473 (JGK), 2017 WL 5969334, at \*2 (S.D.N.Y.  
15 Nov. 20, 2017) (quotations omitted); *cf. Drone Techs., Inc., v. Parrot S.A.*, 838  
16 F.3d 1283, 1300 n.13 (Fed. Cir. 2016) (“[S]ource code requires additional  
17 protections to prevent improper disclosure because it is often a company’s most  
18 sensitive and most valuable property. As a result, district courts regularly  
19 provide for additional restrictions on discovery to account for the unique  
20 characteristics of source code.”) (citation omitted).

21 Courts have recognized the risks in allowing litigation counsel to  
22 participate in post-grant proceedings where claims may be amended. *See, e.g.,*  
23 *Mirror Worlds Techs., LLC* 2017 WL 5969334, at \*3 (citing *Telebuyer*, 2014  
24 WL 5804334, at \*6) (“When a[n] attorney gains access to highly confidential  
25 information in an infringement case, there is a risk that the attorney will be able  
26 to use that information to . . . amend . . . the scope of [the patent] claims to  
27 sustain them against a challenge in a post-issuance proceeding.”). Plaintiffs  
28 argue that their attorneys who obtain access to Apple’s confidential materials

1 should be allowed to participate in any IPR proceeding up until the patents are  
2 amended. If Plaintiffs decide to move to amend the challenged patent in the  
3 IPR, it is only at that point, Plaintiffs argue, that those attorneys who have  
4 viewed Apple's confidential materials could continue as counsel in the IPR and  
5 they would simply have co-counsel join the IPR to be the ones to work on the  
6 amendments. However, Plaintiffs' proposal misses the point of these  
7 protections. Those who have viewed Apple's confidential, highly confidential,  
8 and source code information are at risk for inadvertently disclosing the  
9 information to amendment counsel. Plaintiffs' counsel with that knowledge  
10 would be co-counseling with amendment counsel. In that environment, the risk  
11 of inadvertent disclosure is extremely high—that is, that the litigation counsel  
12 with knowledge of Apple's highly confidential information could guide  
13 amendment counsel to make amendments that would cover Apple products or  
14 steer amendment counsel away from making amendments that would exclude  
15 features in Apple's products. It is difficult “for the human mind to  
16 compartmentalize and selectively suppress information once learned, no matter  
17 how well-intentioned the effort may be to do so.” *In re Deutsche Bank Tr. Co.*  
18 *Ams.*, 605 F.3d 1373, 1378 (Fed. Cir. 2010).

19 Plaintiffs further argue that this provision is a matter of fairness. They  
20 call Apple's proposal “one-sided” in that it would permit its outside counsel to  
21 participate in all aspects of challenging Plaintiffs' patents. Again, Plaintiffs fail  
22 to appreciate the purpose of this protection. Plaintiffs' outside counsel are  
23 receiving access to Apple's most valuable and protected confidential  
24 information. The need for minimizing the risk of inadvertent disclosure is clear.  
25 Even if Apple's litigation counsel reviewed Plaintiffs' highly confidential and  
26 source code information, there is no risk of misusing that information in  
27 attacking Plaintiffs' patents.

1 Plaintiffs' last paragraph in their statement on this section attempts to  
2 characterize the parties as disputing whether the application of the prosecution  
3 bar applies on an individual-by-individual basis. Apple has never taken the  
4 position that a prosecution bar should apply to all individuals at the law firm  
5 receiving highly confidential information. Indeed, no reading of its proposal  
6 could support such an interpretation. It is clear from its proposal that the  
7 prosecution bar shall apply to those in receipt of highly confidential information  
8 on an individual basis.

9 Apple's proposal strikes an appropriate balance between the parties'  
10 interests. It would permit Plaintiffs' trial counsel to represent Plaintiffs in post-  
11 grant review proceedings involving asserted patents that are not to be amended  
12 during those proceedings—thereby minimizing any burden or hardship on  
13 Plaintiffs. But that decision would need to be made in advance of entering an  
14 appearance in that post-grant proceeding. If amendments are to be made, then  
15 Plaintiffs would need to engage other counsel that have not reviewed Apple's  
16 confidential, highly confidential, or source code information to represent it in  
17 the post-grant proceedings on that patent from the outset of the proceeding.  
18 Plaintiffs' proposal, in contrast, would allow Plaintiffs' trial counsel to  
19 (consciously or subconsciously) use their knowledge of Apple's highly sensitive  
20 documents in such proceedings to strategically narrow Plaintiffs' patent claims  
21 in an effort to avoid the prior art while still covering aspects of Apple's  
22 products. The provision that Apple proposes is needed to protect against this  
23 exact risk, and should be included in the protective order entered in this case.

24 **b. The Significant Risk Of Inadvertent Disclosure Justifies**  
25 **The Inclusion Of An Acquisition Bar In The Protective**  
26 **Order**

27 Both parties agree that a patent prosecution bar should be put in place.  
28 The fundamental rationale behind such bars is that a person involved in writing

1 patent claims in a pending patent application may choose to write the claim to  
2 cover technology he or she saw in the confidential files of the opposing party or  
3 to avoid amending or adding claims in pending patent applications that would  
4 not cover the confidential technology of the other party. That fundamental  
5 principle is equally applicable when an attorney is advising clients on whether  
6 to purchase new patents for its portfolio. In both situations, the attorney is being  
7 asked to provide advice to the client that could result in the client having new  
8 patent claims that can be asserted against the adversary.

9 Thus, to prevent counsel's inadvertent reliance on confidential  
10 information, a patent acquisition bar provision should be ordered to prohibit any  
11 of Plaintiffs' counsel who actually review Apple's sensitive technical material  
12 from participating in patent acquisitions relating to that material's subject matter  
13 until two year after the case ends.

14 A patent acquisition bar is a reasonable compromise on a necessary  
15 protection. Courts regularly find it appropriate to restrict individuals who  
16 receive another party's confidential technical information from later assisting in  
17 the acquisition of patents covering the disclosed technology.<sup>12</sup> The rationale for  
18

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19 <sup>12</sup> See, e.g., Order at 5, *Realtime Adaptive Streaming LLC v. Google LLC*,  
20 No. 18-CV-03629 (C.D. Cal. July 18, 2019), ECF No. 80; *Intellectual Ventures*  
21 *I, LLC v. Lenovo Group Ltd.*, 2019 WL 343242, at \*4 (D. Mass. Jan. 25, 2019);  
22 Order at 3, *Uniloc USA, Inc. v. Apple Inc.*, No. 18-CV-00572 (N.D. Cal. July 2,  
23 2018), ECF No. 107; Order at 10, *Univ. of Va. Patent Found. v. Gen. Elec. Co.*,  
24 No. 14-CV-00051 (W.D. Va. June 11, 2015), ECF No. 61; *Telebuyer*, 2014 WL  
25 5804334, at \*7; *Inventor Holdings, LLC v. Google, Inc.*, 2014 WL 4369504, at  
26 \*2 (D. Del. Aug. 27, 2014); *Catch A Wave Techs., Inc. v. Sirius XM Radio, Inc.*,  
27 No. 12-CV-05791, 2013 WL 9868422, at \*1 (N.D. Cal. Aug. 6, 2013); *EPL*  
28 *Holdings, LLC v. Apple Inc.*, No. C-12-04306, 2013 WL 2181584, at \*5 (N.D.  
Cal. May 20, 2013); *Unwired Planet LLC v. Apple Inc.*, No. 12-CV-00505,  
2013 WL 1501489, at \*7 (D. Nev. Apr. 11, 2013); Transcript at 29:20–30:4,  
*Intellectual Ventures I LLC v. Altera Corp.*, No. 10-CV-00065 (D. Del. Aug. 1,  
2012), ECF No. 145; *E-Contact Techs., LLC v. Apple, Inc.*, No. 11-CV-00426,



1 such restrictions is well-established: “It is very difficult for the human mind to  
2 compartmentalize and selectively suppress information once learned, no matter  
3 how well-intentioned the effort may be to do so.” *In re Deutsche Bank Tr. Co.*  
4 *Ams.*, 605 F.3d 1373, 1378 (Fed. Cir. 2010) (alteration omitted) (quoting *FTC v.*  
5 *Exxon Corp.*, 636 F.2d 1336, 1350 (D.C. Cir. 1980)). Notwithstanding general  
6 provisions “specifying that designated confidential information may be used  
7 only for purposes of the current litigation,” and notwithstanding the good faith  
8 of all individuals involved, courts recognize that “there may be circumstances in  
9 which even the most rigorous efforts . . . to preserve confidentiality . . . may not  
10 prevent inadvertent compromise.” *Id.*; *see also Catch A Wave Techs., Inc. v.*  
11 *Sirius XM Radio, Inc.*, No. 12-CV-05791, 2013 WL 9868422, at \*1 (N.D. Cal.  
12 Aug. 6, 2013) (“The patent acquisition bar . . . adds an additional layer of  
13 protection by prohibiting not just disclosure and use, but also advising.”).

14 Plaintiffs recognized and endorsed these settled principles when they  
15 agreed to a prosecution bar nearly identical in scope to the proposed acquisition  
16 bar. The justification underlying these two provisions is identical—it will be  
17 difficult, if not impossible, for an individual who has seen Apple’s confidential  
18 information to segregate that information mentally when later advising on patent  
19 prosecution or acquisition related to that information. The risks of inadvertent  
20 disclosure and competitive misuse are the same with respect to both prosecution  
21 and acquisition:

22  
23 Counsel for Plaintiff has acquiesced to the imposition  
24 of a patent prosecution bar, and, therefore, apparently  
25 agrees that there could possibly be a risk of

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26 2012 WL 11924448, at \*2 (E.D. Tex. June 19, 2012); *cf. Blackbird Tech LCC v.*  
27 *Serv. Lighting & Elec. Supplies, Inc.*, No. 15-CV-00053, 2016 WL 2904592, at  
28 \*6 (D. Del. May 18, 2016) (requiring covenant not to sue on patents acquired  
during duration of protective order).



1           inadvertent disclosure of Defendants’ confidential  
2           information in the course of representing their client  
3           before the PTO. Therefore, it is hard to conceive that  
4           there would be little or no risk of inadvertent  
5           disclosure when these same attorneys advise their  
6           client in matters regarding acquisitions of patents.

7           *E-Contact Techs., LLC v. Apple, Inc.*, No. 11-CV-00426, 2012 WL 11924448,  
8           at \*2 (E.D. Tex. June 19, 2012); *see also EPL Holdings, LLC v. Apple Inc.*, No.  
9           C-12-04306, 2013 WL 2181584, at \*4 (N.D. Cal. May 20, 2013) (explaining  
10          that patent acquisition and prosecution create the same risk of inadvertent use  
11          because “litigation counsel may consciously or subconsciously use their  
12          knowledge . . . to advise a client on which patents to acquire”). And the concern  
13          is further heightened here because Plaintiffs seek Apple’s valuable source code  
14          and other technical documentation. The disclosure of this confidential  
15          technology carries significant risks of inadvertent disclosure and competitive  
16          misuse. *See Telebuyer, LLC v. Amazon.com, Inc.*, No. 13-CV-01677, 2014 WL  
17          5804334, at \*2 (W.D. Wash. July 7, 2014) (describing source code as “highly  
18          confidential, technical information” that poses a “heightened risk of inadvertent  
19          disclosure”) (citation omitted); *Applied Signal Technology, Inc. v. Emerging*  
20          *Markets Commc’ns, Inc.*, 2011 WL 197811 at \*2 (N.D. Cal. Jan. 20, 2011)  
21          (“confidential technical documents, including source code . . . may pose a  
22          heightened risk of inadvertent disclosure”).

23                 In sum, Apple should not be forced to incur the risk that Plaintiffs’  
24                 counsel will inadvertently rely on Apple’s highly sensitive technical information  
25                 to make competitive decisions regarding the acquisition of patents or patent  
26                 rights related to the technology at issue. In light of the foregoing, this Court  
27                 should enter Apple’s proposed acquisition bar.  
28

1     **H.     Sections 4.5 and 11 – Source Code**

2             The Parties’ disputes on Sections 4.5 and 11 are shown below, with  
3     underlined text showing Apple’s proposed additions to Plaintiffs’ proposal and  
4     strikethrough text showing Apple’s proposed deletions to Plaintiffs’ proposal:

5             4.5     “HIGHLY     CONFIDENTIAL     –     SOURCE     CODE”

6             Information or Items: extremely sensitive “Confidential  
7     Information or Items” representing computer code, scripts,  
8     assembly, binaries, object code, source code listings (e.g., file  
9     names and path structure), descriptions of source code comments,  
10     (e.g., descriptions of declarations, functions, and parameters),  
11     object code listings, and Hardware Description Language (HDL)  
12     or Register Transfer Level (RTL) files that describe the hardware  
13     design of any ASIC or other chip, disclosure of which to another  
14     Party or Non-Party is likely to cause harm or significant  
15     competitive disadvantage to the Producing Party. Other  
16     documents that quote source code may be designated pursuant to  
17     this Paragraph, provided that the Producing Party also produces a  
18     redacted version designated “HIGHLY CONFIDENTIAL –  
19     ATTORNEYS EYES ONLY,” which removes the quoted source  
20     code. Native Computer Aided Design (CAD) files may be  
21     designated pursuant to this Paragraph, provided that any printouts  
22     of CAD files shall be designated “HIGHLY CONFIDENTIAL –  
23     ATTORNEYS EYES ONLY” and will not be included in the page  
24     limits discussed in Section 11 below.

25  
26             11.     SOURCE CODE

27             ...  
28

(f) The Receiving Party may request paper copies of limited portions of source code that are reasonably necessary for the preparation of court filings, pleadings, expert reports, or other papers, or for deposition or trial, but shall not request paper copies for the purposes of reviewing the source code other than electronically as set forth in Paragraph (c) in the first instance. ~~The Receiving Party may generate PDF copies of limited portions of source code on the source code computer for purposes of asking the Producing Party to produce paper copies.~~ Any printed portion that consists of more than fifteen (15) pages of a continuous block of Source Code ~~or more than two hundred (200) pages total~~ shall be presumed to be excessive, and the burden shall be on the Receiving Party to demonstrate the need for such a printed copy. The Receiving Party may print out no more than two hundred (200) pages total. Within ten (10) days, the Producing Party shall either (i) provide one copy set of such pages to the Receiving Party or (ii) inform the Requesting Party that it objects that the printed portions are excessive and/or not done for a permitted purpose. The Parties will cooperate in good faith if a different timeframe for production is required. If, after meeting and conferring, the Producing Party and the Receiving Party cannot resolve the objection, the Receiving Party shall be entitled to seek a Court resolution of whether the printed Source Code in question is narrowly tailored and was printed for a permitted purpose. The burden shall be on the Receiving Party to demonstrate that such printed portions are no more than is reasonably necessary for a permitted purpose and not merely printed for the purposes of review and analysis elsewhere. The printed pages shall constitute

1 part of the Source Code produced by the Producing Party in this  
2 action. ~~Printing of directory paths or structures and file names~~  
3 ~~shall not count toward the consecutive or aggregate page count~~  
4 ~~listed in this section.~~

5 . . .

6 (h) . . . The Producing Party shall not be responsible for any  
7 items left in the room following each inspection session, and the  
8 Receiving Party shall have no expectation of confidentiality for  
9 any items left in the room following each inspection session  
10 without a prior agreement to that effect. ~~However, if the~~  
11 ~~Producing Party locates any material that appears to contain the~~  
12 ~~work product of the Receiving Party, the Producing Party shall not~~  
13 ~~review the material and shall contact the Receiving Party in~~  
14 ~~accordance with their ethical duties. . . .~~

15 (i) . . . Upon ~~three (3) days'~~ one (1) day's advance notice to the  
16 Receiving Party by the Producing Party, the Receiving Party shall  
17 provide a copy of this log to the Producing Party.

18 (j) . . . ~~Absent agreement of the Parties or order of this Court,~~  
19 ~~no~~No more than a total of fifteen (15) individuals identified by the  
20 Receiving Party shall have access to the printed portions of the  
21 Source Code (except insofar as such code appears in any court  
22 filing or expert report). ~~The Parties agree to cooperate in good~~  
23 ~~faith if it becomes necessary for more than fifteen (15) individuals~~  
24 ~~to have access to the printed portions of the Source Code. A~~  
25 ~~Producing Party's source code material may only be transported by~~  
26 ~~the Receiving Party at the direction of a person authorized under~~  
27 ~~these provisions to another person authorized under these~~  
28

1 ~~provisions, on paper via hand carry, Federal Express, or other~~  
2 ~~similarly reliable courier.~~

3 (k) For depositions, the Receiving Party shall not bring copies  
4 of any printed Source Code. Rather, at least ten (10) days before  
5 the date of the deposition, the Receiving Party shall notify the  
6 Producing Party about the specific portions of Source Code it  
7 wishes to use ~~Source Code~~ at the deposition, and the Producing  
8 Party shall bring printed copies of ~~the Source Code~~ those portions  
9 to the deposition for use by the Receiving Party. Copies of Source  
10 Code that are marked as deposition exhibits shall not be provided  
11 to the Court Reporter or attached to deposition transcripts; rather,  
12 the deposition record will identify the exhibit by its production  
13 numbers. ~~The Producing Party shall maintain the marked~~  
14 ~~deposition exhibits during the pendency of this case. All other~~ All  
15 paper copies of Source Code brought to the deposition by the  
16 Producing Party shall remain with the Producing Counsel's outside  
17 counsel for secure destruction in a timely manner following the  
18 deposition.

19 (l) . . . If a Party reasonably believes that it needs to submit a  
20 portion of Source Code as part of a filing with the Court, the  
21 Parties shall meet and confer as to how to make such a filing while  
22 protecting the confidentiality of the Source Code and such Source  
23 Code will not be filed absent agreement from the Producing Party  
24 that the confidentiality protections will be adequate ~~or order of this~~  
25 ~~Court.~~ . . .

26 **1. Plaintiffs' Position**

27 The Court's Model Order does not address source code. Thus, Plaintiffs  
28 proposed the Court adopt language that corresponds to the source code

provisions from *True Wearables*. See Ex. 13 (*True Wearables*) at 8-12. Apple replaced Plaintiffs’ proposal in its entirety and refused to compromise. In an effort to narrow the disputes, Plaintiffs agreed to work from Apple’s proposal. Apple adopted some of Plaintiffs’ changes but largely maintained its refusal to compromise. Apple initially refused to even ***explain*** its objections. See Powell Decl., Ex. 8 at 9, 11. Apple first provided some explanation of its position a few days before Plaintiffs provided their portion of this joint stipulation. *Id.*, Ex. 8 at 4-8. Plaintiffs address the disputes in turn below.

**a. Section 4.5**

Plaintiffs proposed including the *True Wearables* definition of “source code.” See Ex. 13 at 7 (“To the extent such Protected Material includes computer source code and/or live data (that is, data as it exists residing in a database or databases) (i.e., ‘Source Code Material’), the producing party may designate such Protected Material as ‘RESTRICTED CONFIDENTIAL SOURCE CODE.’”). That is a standard and commonly used definition of “source code” that includes actual source code and live data. See also *Intellectual Pixels Ltd. v. Sony Interactive Entertainment LLC*, No. 8:19-cv-01432-JVS-KES, Dkt. No. 49 (C.D. Cal. Nov. 15, 2019) (Powell Decl., Ex. 22) at 6 (providing the same definition for “source code”). Nevertheless, Apple rejected Plaintiffs’ proposal.

In an effort to compromise, Plaintiffs agreed to much of Apple’s definition. However, Plaintiffs could not agree to Apple’s insistence that mere “descriptions” of source code can be designated as “source code.” See Powell Decl., Ex. 4 at 4. That term is far too vague and would invite disputes as to whether a technical document describing product functions performed by source code constitutes a “description” of source code. Apple’s proposal will impermissibly sweep in many technical documents that are not source code. Apple’s overly broad definition of what constitutes “source code,” combined

1 with Apple's overly restrictive procedures for reviewing source code discussed  
2 below, would significantly hinder Plaintiffs' ability to review Apple's technical  
3 documents.

4 **b. Section 11(f)**

5 The parties have several disputes regarding Section 11(f). First, Plaintiffs  
6 propose that "[t]he Receiving Party may generate PDF copies of limited  
7 portions of source code on the source code computer for purposes of asking the  
8 Producing Party to produce paper copies." Powell Decl., Ex. 4 at 21-22.  
9 Generating an electronic PDF copy on the source code computer is the most  
10 efficient way for a Receiving Party to tell the Producing Party what portion of  
11 the source code it would like printed. This approach also avoids disputes over  
12 whether the Producing Party printed source code in an illegible format, or in a  
13 format that uses more of a Receiving Party's allocated pages than necessary.

14 Apple argues the producing party should create paper copies only when  
15 they are "not objectionable or any objections are resolved." *Id.*, Ex. 8 at 6. That  
16 makes no sense because this provision does **not** involve printing paper copies.  
17 It merely allows the Receiving Party to create—**on the source code computer**—  
18 an electronic copy that the Producing Party can print **if** any objections have been  
19 resolved. Plaintiffs' proposal does not allow the Receiving Party to create paper  
20 copies of anything.

21 Second, Plaintiffs propose that the Receiving Party may move the Court  
22 for permission to print more than 200 pages total. *Id.*, Ex. 4 at 22. Apple argues  
23 this provision is unnecessary and could be "misconstrued as Apple agreeing that  
24 printing more than 200 pages may be necessary in this case." *Id.*, Ex. 8 at 6.  
25 Plaintiffs recognize Apple does not agree that printing more 200 pages may be  
26 necessary. All Plaintiffs seek is the ability to **ask the Court** to increase that  
27 page limit. *See Microsoft* (Powell Decl., Ex. 23) at 7 (permitting party to ask to  
28 print additional pages beyond page limit)



1 In contrast, Apple proposes language that arguably prohibits the  
2 Receiving Party from even *asking* this Court to increase the 200-page total  
3 limit. Powell Decl., Ex. 4 at 22. Apple’s proposal specifically mentions a  
4 procedure allowing parties to increase the 15-consecutive-page limit but *not* the  
5 200-page total limit. *Id.* That language could easily be misconstrued as the  
6 parties agreeing the 200-page limit can *never* be increased, particularly in light  
7 of Apple’s refusal to agree to Plaintiffs’ proposal providing that a party may ask  
8 the Court for leave to print more than 200 pages.

9 Third, Plaintiffs propose that printing directory paths or structures and  
10 filenames do not count towards the consecutive or aggregate page limits  
11 described. *Id.* This is appropriate because paths and filenames are not source  
12 code; they are analogous to a table of contents. The metadata included in  
13 directory listings also establish when a file was last modified and can also be  
14 used to show whether a file was modified from a prior version. A printed copy  
15 of the paths and filenames makes review of the actual source code far more  
16 efficient.

17 Apple claims Masimo intends to use directory printouts to “facilitate  
18 some of its review of the code (which includes the structure of how files are  
19 grouped into file paths) outside of the source code review room.” Powell Decl.,  
20 Ex. 8 at 5. That again makes no sense. While paths and filenames can be  
21 designated and protected under the source code provisions, they are *not* actual  
22 source code. Maintaining a copy of paths and filenames is important to easily  
23 track a parties’ review of the *actual* source code in the source code review  
24 room.

25 **c. Section 11(h)**

26 The parties agree that the Receiving Party should not store notes or other  
27 material in the source code review room beyond the time when the party is  
28 reviewing code in the room. However, Plaintiffs believe counsel should abide

1 by their ethical duties not to review any work product that may be inadvertently  
2 left behind. Powell Decl., Ex. 4 at 23. This is consistent with counsel’s ethical  
3 duty to “refrain from examining” another attorney’s work product and  
4 “promptly notify the sender.” California Professional Rule of Conduct 4.4; *see*  
5 *also Rico v. Mitsubishi Motors Corp.*, 42 Cal. 4th 807, 808 (2007). Plaintiffs’  
6 proposal is also consistent with the Federal Rules of Civil Procedure and  
7 Federal Rules of Evidence, which reject automatic waiver of privilege based on  
8 inadvertent disclosure. *See* Fed. R. Civ. P. 26(b)(5)(B); Fed. R. Evid. 502(b).

9 Apple argues Plaintiffs’ proposal is “contrary” to prior provisions stating  
10 reviewers have no “expectation of confidentiality for materials left behind in the  
11 source code review room” and should “clean up.” Powell Decl., Ex. 8 at 6.  
12 That is why Plaintiffs included this provision: to clarify that if a party  
13 **accidentally** leaves work product behind, it should not be reviewed or used.  
14 Apple’s refusal to agree to this simple provision is troubling and reinforces the  
15 need for Plaintiffs’ proposal.

16 **d. Section 11(i)**

17 The parties agree on this section except Apple demands a **one-day**  
18 response to any requests for a log of individuals who review paper copies of  
19 source code. Powell Decl., Ex. 4 at 23. That is unreasonable. For example, one  
20 party may request a log on Christmas Eve and assert a violation occurred if the  
21 opposing party does not respond on Christmas Day. Plaintiffs provide a  
22 reasonable three-day notice period, which balances prompt disclosure with  
23 avoiding unduly harassing opposing counsel on weekends and holidays. Apple  
24 previously stipulated to protective orders that included a similar log, but did not  
25 include a one-day response time. *See Pinn* (Powell Decl., Ex. 17) at 14. This  
26 Court has also adopted orders requiring similar logs be provided on **seven** days’  
27 notice. *Microsoft* (Powell Decl., Ex. 23) at 8.

1                    **e.     Section 11(j)**

2             The parties have two disputes regarding Section 11(j). First, Plaintiffs  
3 propose that the number of individuals authorized to access printed Source Code  
4 can be increased beyond 15 individuals, but only by agreement of the parties or  
5 order of this Court. Powell Decl., Ex. 4 at 24. This could become necessary if,  
6 for example, individuals authorized to access source code need to be replaced  
7 because they withdraw from this case. Apple argued that, in other “extremely  
8 large cases, the parties have been able to manage within the 10 person limit and  
9 thus, Apple cannot imagine a situation in which more than 15 people will  
10 become necessary.” *Id.*, Ex. 8 at 10. Whether this provision was necessary in  
11 other cases has nothing to do with whether it might become necessary in this  
12 case. There is no valid reason to preclude a party from even **asking** Apple or  
13 the Court to increase the limit. *See CBS Interactive, Inc. v. Etilize, Inc.*, 257  
14 F.R.D. 195, 201 (N.D. Cal. 2009) (“[D]istrict courts have inherent authority to  
15 grant a motion to modify a protective order where ‘good cause’ is shown.”).

16             Second, Plaintiffs propose printed source code may be transported to and  
17 from individuals authorized to view the source code via hand carry, Federal  
18 Express, or other similarly reliable carrier. Powell Decl., Ex. 4 at 24. Apple  
19 rejected that proposal entirely. *Id.* Without this language, counsel may be  
20 required to personally fly source code printouts to their experts for use in  
21 preparing expert reports. That would be unduly restrictive. Indeed, this Court  
22 routinely includes language similar to Plaintiffs’ proposal. *See Intellectual*  
23 *Pixels* (Powell Decl., Ex. 22) at 10 (permitting parties to transfer printed source  
24 code by “hand carry, via Federal Express, or via other similarly reliable courier  
25 with tracking capabilities”); *Microsoft* (Powell Decl., Ex. 23) at 8 (permitting  
26 parties to transport printed source code pages by “reliable hand carry” and  
27 “Federal Express”). Indeed, Apple previously stipulated to the inclusion of  
28 similar language. *See Pinn* (Powell Decl., Ex. 17) at 13 (allowing transportation

“via hand carry, Federal Express or other similarly reliable courier”).

**f. Section 11(k)**

The parties have two disputes regarding Section 11(k). First, Plaintiffs propose that the Producing Party bring all printed source code to depositions upon request. Powell Decl., Ex. 4 at 24. This is reasonable and not unduly burdensome because the parties have agreed to a presumptive limit that no more than 200 pages that will be printed.

In contrast, Apple requires ten days’ advanced notice of the *specific* portions of printed code that will be addressed at a deposition. *Id.* Apple’s proposal is highly problematic because it seeks disclosure of work product regarding the specific portions of the code about which the questioning attorney will ask, and would give the Producing Party an unfair advantage by knowing exactly what material will be addressed at a given deposition. Further, deposition preparation often continues up to the day of the deposition, and relevant code is likely to be identified by the witness during the deposition. A 10-day advance notice that requires identification of only specific portions of code is not workable. The Court should follow the standard rule that does not require advanced notice of exhibits that will be used at a deposition. *Sporck v. Peil*, 759 F.2d 312, 316 (3d Cir. 1985) (“[T]he selection and compilation of documents by counsel in this case in preparation for pretrial discovery falls within the highly-protected category of opinion work product.”); *Stevens v. Corelogic, Inc.*, 2016 WL 397936, at \*9 (S.D. Cal. Feb. 2, 2016) (“[C]ourts in this Circuit have viewed *Sporck* favorably.”).

Second, Plaintiffs propose that the Producing Party maintain marked deposition exhibits during the pendency of this case. Powell Decl., Ex. 4 at 24. Apple struck this provision and proposes that the Producing Party destroy all deposition exhibits containing source code. *Id.* at 24-25. There is no potential harm from the *Producing Party’s* outside counsel maintaining a copy of the

1 exhibit. Moreover, Apple's proposal could create evidentiary issues if the  
2 parties later dispute the content of an exhibit that was introduced at a deposition.

3 **g. Section 11(l)**

4 Plaintiffs proposal merely confirms that this Court has the authority to  
5 order a party to file source code over the objection of the Producing Party.  
6 Powell Decl., Ex. 4 at 25. That is necessarily part of this Court's inherent  
7 authority to manage its docket. Apple struck Plaintiffs' proposed language and  
8 refused to explain its objection even after Plaintiffs repeatedly asked Apple to  
9 do so. *See Id.*, Ex. 8 at 8.

10 Accordingly, the Court should adopt Plaintiffs' proposed source code  
11 provisions.

12 **2. Defendant's Position**

13 Over the course of three months, Apple has diligently negotiated with  
14 plaintiffs the terms of a protective order, despite Plaintiffs' repeated efforts to  
15 delay that process. Plaintiffs' accusations that Apple has refused to compromise  
16 or explain its objections are demonstrably false. Plaintiffs raised new disputes  
17 each time the parties exchanged proposed protective order provisions, making it  
18 impossible for the parties to focus on the specific issues in dispute and drawing  
19 the negotiation process out indefinitely.

20 **a. Section 4.5**

21 The parties dispute whether descriptions of source code should receive a  
22 "Highly Confidential – Source Code" designation in order to protect Apple's  
23 sensitive technical information. As Apple explained to Plaintiffs numerous  
24 times during this process, Apple's source code is extremely sensitive and every  
25 other business in its industry seeks to review its contents. The designation of  
26 descriptions of source code as "highly confidential" and thus requiring the same  
27 protections afforded source code is necessary to preserve Apple's valuable  
28 technical information from improper disclosure or use. Apple goes to great

lengths to limit the use and review of its source code by any individuals, including its own employees and counsel. These protections extend to descriptions of the source code. Descriptions of source code in internal documents and emails can and often do reveal important details about how the source code operates and thus deserve the same level of protection as the source code itself. Indeed, some descriptions are even more revealing of the operation of the products than the source code itself because the descriptions use simple and clear terms to explain how the source code works rather than source code terminology that can be complex to understand, particularly if one function calls a second function, which in turn calls a third, for example. Having a higher level description of what is happening is extremely valuable. Thus, limiting the provision to only source code comments is not sufficient. Apple's proposal to bestow the same protections accorded to source code unto descriptions of source code is a reasonable and necessary protection of its valuable and sensitive asset.

Moreover, Plaintiffs incorrectly claim that Apple's proposal is "overly broad." Apple's proposal cabins the types of technical documents to which this provision applies by proposing the few types of documents that should receive this designation: "(e.g., descriptions of declarations, functions, and parameters)." Powell Decl. Ex. 3, at 57.

This Court should adopt Apple's proposal.

**b. Section 11(f)**

**i. Generating Source Code as PDF Copies**

Plaintiffs propose generating electronic PDF copies of source code on the source code computer for the purpose of "asking the Producing Party to produce paper copies." Plaintiffs' proposal is an unreasonable request that does not justify exposing Apple's confidential source code to impermissible disclosure or use by converting it to an electronic PDF copy. There are far more common and less risky means of telling the Producing Party what portion of the source code

1 the Receiving Party would like printed—for instance, indicating the starting and  
2 ending points of desired portions of source code. This is how typical litigation  
3 discovery and review of confidential, valuable information occurs. Notably,  
4 such language is not present in the provisions of the Protective Order entered in  
5 *True Wearables*. Powell Decl., Ex. 13. Yet at the last minute, Plaintiffs  
6 requested this unnecessary and inefficient provision. It should be rejected.

7 Plaintiffs’ claim that this provision is “the most efficient” neglects the  
8 aims of a protective order—to minimize the unnecessary risk of improper  
9 disclosure and use of a party’s most sensitive and confidential information.  
10 Permitting the printing of Apple’s valuable source code to an electronic PDF  
11 copy contravenes these aims and this Court therefore should reject Plaintiffs’  
12 proposal.

13 **ii. Printing More Than 200 Pages**

14 In the beginning of this negotiation, Apple proposed a one-hundred page  
15 limit of any printed portion of source code, because, as it explained to Plaintiffs  
16 numerous times and still maintains, such a limit is more than necessary to allow  
17 Plaintiffs to sufficiently review any such portion of Apple’s information at issue  
18 in this case. In the interests of compromise, Apple agreed to compromise on a  
19 two-hundred page limit of any printed portion of source code. Now, however,  
20 Plaintiffs drags the dispute on further. Plaintiff seeks to add language explicitly  
21 permitting a reviewing party to demonstrate the need for any printed portion of  
22 source code beyond two hundred pages. This provision should be rejected for  
23 two reasons. *First*, Plaintiffs’ provision is unwarranted in light of the already-  
24 agreed provision in the protective order that the Protective Order may be  
25 modified by the Court. *See* Samplin Decl. Ex. A, at 32 (“Protective Order”)  
26 (“Modification by Court. This Order is subject to further court order based  
27 upon public policy or other considerations, and the Court may modify this Order  
28 sua sponte in the interests of justice. All disputes between the Parties



1 concerning Protected Material, however designated, produced under the  
2 protection of this Order shall be resolved by the United States District Court for  
3 the Central District of California.”). *Second*, a two hundred page limit is more  
4 than adequate for Plaintiffs to view any printed portion of the source code and,  
5 therefore, Apple does not agree to include language that might be interpreted by  
6 the Court as suggesting that modification of that limit was contemplated by the  
7 parties.

8 **iii. Printing Directory Paths Information**

9 This is another provision that Plaintiffs inserted late in the parties’  
10 negotiations over Section 11, which delayed bringing this protective order  
11 dispute to the Court. As a further attempt to expand the number of pages it can  
12 print, Plaintiffs asked for source code directory paths, structures, and file names  
13 to be excluded. But those pieces of information *are* source code—they are  
14 absolutely necessary to enable a computer to compile the source code into  
15 executable instructions and are used universally across computing systems and  
16 languages. Source code directory paths provide detailed information about the  
17 source code and are thus just as sensitive as the source code instructions.  
18 Source code directory paths and file structures should count toward the page  
19 limits described. Moreover, it was with this understanding that source code  
20 directory paths, structures, and file names would be included in the page count  
21 that Apple, in the interest of compromise, agreed to a two-hundred-page limit of  
22 any printed portion source code, a limit more than adequate for review of any  
23 printed portion of the source code.

24 Permitting Plaintiffs to sidestep limits on source code printing takes away  
25 the incentive for Plaintiffs to be careful and deliberate in choosing portions of  
26 code to print, and encourages Plaintiffs to print out larger portions of code than  
27 truly necessary and review them at their leisure in their office or at home (i.e.,  
28 outside of the secure environment). Plaintiffs’ preferences and convenience

1 plainly do not outweigh the need to protect Apple’s valuable and vulnerable  
2 source code. As Apple explained during meet-and-confer discussions with  
3 Plaintiffs, the entire purpose of having a source code review room, in which the  
4 source code is made available for review (and the existence of which the parties  
5 agree is necessary), is for the review to occur in the secure environment.  
6 Plaintiffs’ “preference and convenience should not trump the need to protect the  
7 source code for what Apple considers to be its crown jewels—the products at  
8 issue in this case.” *Unwired Planet LLC v. Apple Inc.*, No. 3:12-CV-00505-  
9 RCJ, 2013 WL 1501489, at \*5 (D. Nev. Apr. 11, 2013).

10 **c. Section 11(h)**

11 The parties dispute who must bear the burden of locating any material left  
12 in the source code review room. Plaintiffs seek to require the Producing Party  
13 to review any confidential material left in the review room and to contact the  
14 Receiving Party regarding the identification of such material.

15 Plaintiffs request an unnecessary imposition on the Producing Party to  
16 contact the Receiving Party and to make judgments about whether something  
17 the Producing Party leaves behind is work product or not. To streamline the  
18 process of the review, Apple requests that Plaintiffs be responsible for all  
19 materials, potential work product or otherwise, left in the review room. If  
20 anything is left behind, the Receiving Party should bear the burden of notifying  
21 the Producing Party.

22 **d. Section 11(i)**

23 Apple seeks one-day advance notice for the Receiving Party to provide  
24 the Producing Party with a log of the reviewers and recipients of paper copies of  
25 the source code. As Apple has explained to Plaintiffs in the parties’ meet-and-  
26 confers, if one party determines that its source code has been disclosed or used  
27 contrary to the provisions of the Protective Order, that party needs every tool at  
28 its disposal to stop the further dissemination of the source code. These

1 provisions are necessary because past experience demonstrates that misuse can  
2 occur and, in fact, in at least one instance, the absence of more urgent measures  
3 like this provision impaired Apple's ability to act as quickly as it would have  
4 liked to prevent further risk of misuse. In *Valencell Inc. v. Apple Inc.*, the  
5 plaintiffs sent a shipment consisting almost entirely of Apple's documents  
6 marked "Highly Confidential – Attorneys' Eyes Only" to be used by the  
7 plaintiffs' counsel at the deposition of an Apple witness. Order at 2, *Valencell*  
8 *Inc. v. Apple Inc.* (E.D.N.C. Aug. 28, 2017) ECF No. 216. Instead of being sent  
9 to the hotel where Plaintiffs' counsel was staying, the shipment was misdirected  
10 to a third party who then alerted Apple of his receipt of its materials. Despite  
11 being aware of the non-delivery, the plaintiffs delayed in disclosing to Apple the  
12 disruptions in the shipment. *Id.* at 3. Only when Apple contacted the plaintiffs  
13 and requested the source code log did the plaintiffs subsequently notify Apple of  
14 this disruption and of a second unrelated missing shipment "consisting of almost  
15 1,000 pages of Apple's source code" that been intended to be sent to one of the  
16 plaintiffs' experts but instead was reported by FedEx as never having left its  
17 distribution center and was not received by the expert. *Id.* If Apple's source  
18 code is sent to the wrong individual or left at a FedEx distribution center, both  
19 of which occurred in *Valencell*, Apple would need to know immediately every  
20 person that had access to the source code to identify the potential source of that  
21 leak. In such a situation, three days would be completely inadequate. Turning  
22 Plaintiffs' example around, if Apple source code was leaked on the Internet on  
23 Christmas Eve, then Apple would indeed expect to have a list of the people who  
24 had access to it on Christmas Day. This provision hopefully will never be  
25 necessary. But, if it is necessary to request a log, the requesting party deserves a  
26 response within one day. Plaintiffs' "preference and convenience should not  
27 trump the need to protect the source code for what Apple considers to be its  
28 crown jewels—the products at issue in this case." *Unwired Planet LLC v. Apple*

1 *Inc.*, No. 3:12-CV-00505-RCJ, 2013 WL 1501489, at \*5 (D. Nev. Apr. 11,  
2 2013).

3 **e. Section 11(j)**

4 The parties dispute (1) language concerning how many individuals may  
5 review and receive the Producing Party's source code on behalf of the  
6 Receiving Party; and (2) the transportation of source code by the Receiving  
7 Party.

8 **i. Increasing the Number of Reviewers**

9 Much like the dispute over number of pages of source code that can be  
10 printed, here, Apple originally proposed a limit of ten people to access source  
11 code, but agreed to a compromise of fifteen people on behalf of a Receiving  
12 Party. A limit on the number of reviewers of a party's source code is a  
13 necessary protection against the risk of inadvertent disclosure. Plaintiffs'  
14 attempt to permit the increase the limit of the number of reviewers beyond  
15 fifteen should fail for the same reason that the Court should reject similar  
16 language in the page limit provision above. Plaintiffs' provision is unwarranted  
17 in light of the already-agreed provision that the protective order may be  
18 modified. *See* Samplin Decl. Ex. A, at 32 ("Modification by Court. This Order  
19 is subject to further court order based upon public policy or other  
20 considerations, and the Court may modify this Order sua sponte in the interests  
21 of justice. All disputes between the Parties concerning Protected Material,  
22 however designated, produced under the protection of this Order shall be  
23 resolved by the United States District Court for the Central District of  
24 California."). Further, Apple opposes inclusion of any provision in this  
25 protective order suggesting that it agrees that adding more people to that limit  
26 was contemplated. Apple does not contemplate either party needing more than  
27 fifteen individuals to review the other side's source code.

1                                    **ii.     Restrictions on how source code may be**  
2                                    **transported**

3             This is another example of Plaintiffs’ many attempts to indefinitely draw  
4     out the negotiation of the protective order. Each time the parties exchanged  
5     protective order provisions, Plaintiffs inserted new clauses into agreed-upon  
6     sections and manufactured new disputes. This provision was added in the latest  
7     version Plaintiffs sent despite months of negotiation over the protective order  
8     without any suggestion by Plaintiffs that a transportation provision was needed.

9             Plaintiffs propose unnecessary language outlining who may transport  
10    printed source code to and from individuals authorized to view the source code.  
11    The protective order already provides provisions on how many copies can be  
12    made and where they are to be stored and by whom. *See* Powell Decl. Ex. 3, at  
13    74 (“The Receiving Party’s outside counsel of record and any person receiving a  
14    copy of any Source Code shall maintain and store any paper copies of the  
15    Source Code at their offices in a manner that prevents duplication of or  
16    unauthorized access to the Source Code.”). Plaintiffs argue that the absence of  
17    this language suggests that a party may be “required to personally fly source  
18    code printouts to their experts for use in preparing expert reports.” That may be  
19    the case. Apple’s source code is extremely sensitive and Apple should not have  
20    to take the risk that it will be lost in the mail, FedEx, or any other courier  
21    service. *See Valencell* at 2 (shipment consisting “almost entirely of Apple  
22    documents” marked “Attorneys’ Eyes Only” “were intended to be sent to the  
23    hotel where [the plaintiffs’] counsel would be staying, but were misdirected by  
24    an unknown man to a third party”); *id.* at 2 (“The other shipment . . .  
25    [consisting] of almost 1,000 pages of Apple’s source code . . . was to be sent to  
26    [the plaintiffs’] expert, but he did not receive the shipment and it is reported by  
27    FedEx as never having left its Fort Worth Distribution Center.”).

28             Source code is going to be produced in a single location for review.

1 Thus, the experts will be traveling to the source code review room to complete  
2 the review. It is not too much of a burden to require that they obtain printed  
3 copies in a similar fashion.

4 **f. Section 11(k)**

5 **i. Bringing Source Code to the Deposition**

6 The parties dispute whether the Producing Party shall bring all printed  
7 source code to depositions upon request or whether the Producing Party shall  
8 receive ten days' notice to bring specific portions of source code to be addressed  
9 at a deposition.

10 Plaintiffs request the Producing Party bear the burden of bringing *all* of  
11 the printed source code to the deposition. Apple does not agree. Instead,  
12 Apple's proposal requires Plaintiffs to identify only the portions of the source  
13 code they need and avoid needlessly exposing Apple's source code to  
14 inadvertent or improper disclosure. It also forces Plaintiffs to be careful and  
15 deliberate in choosing portions of code to print, discouraging Plaintiffs from  
16 requesting the printing of larger portions of code than truly necessary. Apple's  
17 provision ensures the adequate protection of its confidential information. This  
18 Court should accept Apple's proposal.

19 **ii. Maintaining Marked Deposition Exhibits**

20 The parties dispute whether the Producing Party must maintain marked  
21 deposition exhibits during the pendency of this case. Plaintiffs argue that there  
22 is no potential harm in requiring Apple to maintain paper copies of its  
23 confidential source code. Not so. Plaintiffs' proposal unnecessarily preserves  
24 Apple's confidential technical information in a medium that allows it to be  
25 easily misused. By contrast, there is no risk, as Plaintiffs argue, that Apple's  
26 proposal could create the evidentiary issue that the parties might dispute the  
27 content of an exhibit introduced at a deposition. The exhibit is clearly identified  
28 by the court reporter and the deposition transcript and Apple cannot foresee any

scenario that results in the outcome Plaintiffs describe.

**g. Section 11(l)**

The parties dispute whether the protective order requires confirmation that the Court has the authority to order a party to file source code over the objection of the Producing Party. Plaintiffs' provision is redundant and unwarranted in light of the already-agreed provision in the protective order that the Protective Order may be modified. *See* Samplin Decl. Ex. A, at 32 ("Modification by Court. This Order is subject to further court order based upon public policy or other considerations, and the Court may modify this Order sua sponte in the interests of justice. All disputes between the Parties concerning Protected Material, however designated, produced under the protection of this Order shall be resolved by the United States District Court for the Central District of California.").

As Plaintiffs admit, their proposal merely restates the Court's inherent authority—something that Apple has never disagreed with. This is another example of Plaintiffs' many attempts to indefinitely draw out the negotiation process of the protective order. Each time the parties exchanged protective order provisions, Plaintiffs inserted new clauses into agreed-upon sections, manufacturing new disputes and making it impossible for the parties to identify the issues actually in dispute. This is one such example.

In light of the foregoing, this Court should reject Plaintiffs' language.

**I. Section 17 – Disposition After Trial**

The Parties' dispute on Section 17 is shown below, with underlined text showing Apple's proposed additions to Plaintiffs' proposal and strikethrough text showing Apple's proposed deletions to Plaintiffs' proposal:

17. FINAL DISPOSITION

AfterNot later than sixty (60) days after the Final Disposition of this Action, as defined in Paragraph 6, ~~within 60 days of a written~~



1 ~~request by the Designating Party~~, each Receiving Party shall return  
2 all Protected Material to the Producing Party or destroy such  
3 material. . . .

4 **1. Plaintiffs' Position**

5 Plaintiffs again propose following the Court's Model Order. *Compare*  
6 Powell Decl., Ex. 1 (Model Order) at 14-15 *with* Ex. 2 (Plaintiffs' proposal) at  
7 28-29. The Court's Model Order provides that information should be deleted or  
8 returned at the end of the case within 60 days of receiving a request from the  
9 opposing party. This provision makes sense, as it helps prevent inadvertent  
10 failures to delete or return information and avoids any dispute as to the precise  
11 date of "Final Disposition." This language is commonly included in protective  
12 orders. *See, e.g., Glaukos* (Powell Decl., Ex. 21) at 16.

13 Apple proposes that the obligation to return or destroy be automatically  
14 triggered by "Final Disposition." Powell Decl., Ex. 4 at 30. Apple provides no  
15 justification for departing from the Court's Model Order other than suggesting  
16 Apple used automatic provisions in other cases. Plaintiffs believe the Court's  
17 standard language reflects the better practice. Plaintiffs also do not believe that  
18 Apple's prior practice in other cases is a sufficient reason to depart from this  
19 Court's Model Order. Moreover, it makes practical sense to place the burden on  
20 the Producing Party to remember to ask for the return or destruction of its  
21 confidential information. The Court should adopt Plaintiffs' proposal.

22 **2. Defendant's Position**

23 The parties are in agreement about every aspect of this provision, besides  
24 Plaintiffs' request for a requirement of written notice to trigger return or  
25 destruction of Protected Material following Final Disposition. This case will  
26 involve production of highly confidential technical information, including  
27 source code. Apple therefore already is certain that it wants Plaintiffs to return  
28 or destroy all such material that they receive from Apple following the

1 resolution of this action, and Apple assumes that Plaintiffs want the same from  
2 Apple with respect to their sensitive information and source code. The parties  
3 should not be required to provide formal, written notice to effectuate that result.

4 Plaintiffs’ argument that written notice is necessary to ascertain the  
5 timing of “Final Disposition” is wrong. Apple has reached agreement with  
6 opposing parties in scores of other litigations on the language it proposes here  
7 (i.e., return or destruction of Protected Material following Final Disposition of  
8 the action, without written notice), and has never in those cases encountered an  
9 unsolvable issue with respect to the meaning of “Final Disposition.” Final  
10 disposition is not a nebulous concept. It will be very clear to Plaintiffs when  
11 they should return or destroy Apple’s Protected Material—and on the off chance  
12 it is not, Plaintiffs can simply send Apple’s counsel an email seeking guidance.

13 Likewise unpersuasive is Plaintiffs’ statement that it “makes practical  
14 sense to place the burden on the Producing Party to remember to ask for the  
15 return or destruction of its confidential information.” In fact, the statement is  
16 concerning, as it underscores Plaintiffs’ belief that if Apple inadvertently fails to  
17 satisfy the formality of written notice, Plaintiffs get to hold onto Apple’s highly  
18 confidential information, including source code and potentially trade secrets,  
19 indefinitely. That is certainly not how these protective order provisions are  
20 meant to work. Indeed, it would defeat the very purpose of a protective order—  
21 which is meant to govern the receipt, possession, and use of other parties’  
22 confidential information during the pendency of the lawsuit for which the  
23 confidential information was produced in the first place.

24 Finally, as is clear from the text, Apple is not requesting a unilateral  
25 provision. Apple’s proposal is bilateral—and would relieve Apple *and*  
26 Plaintiffs from the formality of written notice to compel destruction or return of  
27 materials that they already know they do not want circulating outside of their  
28 respective companies following Final Disposition of this action. Frankly, Apple

1 is surprised that the parties were unable to resolve this issue without court  
2 intervention, as Apple’s proposal seems to be in the best interests of all  
3 parties—preventing a “gotcha” where a party simply forgets that the protective  
4 order requires the formality of written notice to effectuate return or destruction.

5 Apple recognizes that this Court’s general Model Order includes the  
6 “written request” language Plaintiffs seek. Apple nonetheless respectfully  
7 submits that written requests should not be required to compel return or  
8 destruction of the Protected Material that will be involved in this case—which  
9 has the potential to include some of the most sensitive information at Apple.  
10 Apple notes that the Northern District’s Model Order does not require written  
11 notice for the return or destruction of Protected Material following Final  
12 Disposition of the action. *See* Samplin Decl. Ex. D, at 74. While Apple  
13 recognizes that this District has not published its own distinct Model Order for  
14 cases “involving patents, highly sensitive confidential information and/or trade  
15 secrets,” Apple submits that the Northern District’s language on this dispute, for  
16 this particular type of case, is instructive.

17 Simply put, short of pointing to this Court’s Model Order, Plaintiffs have  
18 provided no practical or legal reason to oppose Apple’s sensible and customary  
19 proposal. Apple respectfully requests that the Court so order Apple’s proposed  
20 version of this protective order provision accordingly.

21 Respectfully submitted,

22 KNOBBE, MARTENS, OLSON & BEAR, LLP

23 Dated: June 26, 2020

24 By: /s/ Adam B. Powell

25 Joseph R. Re  
26 Stephen C. Jensen  
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Dated: June 26, 2020

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## **ATTACHMENT B**

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

MASIMO CORPORATION,  
a Delaware corporation; and  
CERCACOR LABORATORIES, INC.,  
a Delaware corporation,

Plaintiffs,

v.

APPLE INC.,  
a California corporation,

Defendant.

CASE NO. 8:20-cv-00048-JVS (JDEx)

PROTECTIVE ORDER

Based on Plaintiffs' Motion for Protective Order (Dkt. 61, "Motion"), the Joint Stipulation of the parties (Dkt. 61-1), the evidence submitted in support of and in opposition to the Motion (Dkt. 61-2 to 61-5), including the parties' respective proposed protective orders (Dkt. 61-2, Exh. 2, and Dkt. 61-5, Exh. A), and the June 23, 2020 Order by the Honorable Judge James V. Selna, United States District Judge (Dkt. 59), and good cause appearing therefor, the Motion is granted, in part, and the Court finds and orders as follows.

1           1.     PURPOSES AND LIMITATIONS

2           Discovery in this action is likely to involve production of confidential,  
3     proprietary or private information for which special protection from public  
4     disclosure and from use for any purpose other than pursuing this litigation may  
5     be warranted. The parties acknowledge that this Order does not confer blanket  
6     protections on all disclosures or responses to discovery, including disclosures  
7     under Rule 26, and that the protection it affords from public disclosure and use  
8     extends only to the limited information or items that are entitled to confidential  
9     treatment under the applicable legal principles.

10          2.     GOOD CAUSE STATEMENT

11          This action is likely to involve trade secrets, customer and pricing lists  
12     and other valuable research, development, commercial, financial, technical  
13     and/or proprietary information for which special protection from public  
14     disclosure and from use for any purpose other than prosecution of this action is  
15     warranted. Such confidential and proprietary materials and information consist  
16     of, among other things, confidential business or financial information,  
17     information regarding confidential business practices, or other confidential  
18     research, development, or commercial information (including information  
19     implicating privacy rights of third parties), information otherwise generally  
20     unavailable to the public, or which may be privileged or otherwise protected  
21     from disclosure under state or federal statutes, court rules, case decisions, or  
22     common law. Accordingly, to expedite the flow of information, to facilitate the  
23     prompt resolution of disputes over confidentiality of discovery materials, to  
24     adequately protect information the parties are entitled to keep confidential, to  
25     ensure that the parties are permitted reasonable necessary uses of such material  
26     in preparation for and in the conduct of trial, to address their handling at the end  
27     of the litigation, and serve the ends of justice, a protective order for such



1 information is justified in this matter, pursuant to Rule 26(c) of the Federal  
2 Rules of Civil Procedure or any other applicable authority. It is the intent of the  
3 parties that information will not be designated as confidential for tactical  
4 reasons and that nothing be so designated without a good faith belief that it has  
5 been maintained in a confidential, non-public manner, and there is good cause  
6 why it should not be part of the public record of this case.

7 3. ACKNOWLEDGMENT OF UNDER SEAL FILING  
8 PROCEDURE

9 The parties further acknowledge, as set forth in Section 14.3, below, that  
10 this Protective Order does not entitle them to file confidential information under  
11 seal; Local Civil Rule 79-5 sets forth the procedures that must be followed and  
12 the standards that will be applied when a party seeks permission from the court  
13 to file material under seal. There is a strong presumption that the public has a  
14 right of access to judicial proceedings and records in civil cases. In connection  
15 with non-dispositive motions, good cause must be shown to support a filing  
16 under seal. *See Kamakana v. City and County of Honolulu*, 447 F.3d 1172,  
17 1176 (9th Cir. 2006), *Phillips v. Gen. Motors Corp.*, 307 F.3d 1206, 1210-11  
18 (9th Cir. 2002), *Makar-Welbon v. Sony Electronics, Inc.*, 187 F.R.D. 576, 577  
19 (E.D. Wis. 1999) (even stipulated protective orders require good cause  
20 showing), and a specific showing of good cause with proper evidentiary support  
21 and legal justification, must be made with respect to Protected Material that a  
22 party seeks to file under seal. The parties' mere designation of Disclosure or  
23 Discovery Material as CONFIDENTIAL does not—without the submission of  
24 competent evidence by declaration, establishing that the material sought to be  
25 filed under seal qualifies as confidential, privileged, or otherwise protectable—  
26 constitute good cause.

1 Further, if a party requests sealing related to a dispositive motion or trial,  
2 then compelling reasons, not only good cause, for the sealing must be shown,  
3 and the relief sought shall be narrowly tailored to serve the specific interest to  
4 be protected. *See Pintos v. Pacific Creditors Ass'n.*, 605 F.3d 665, 677-79 (9th  
5 Cir. 2010). For each item or type of information, document, or thing sought to  
6 be filed or introduced under seal in connection with a dispositive motion or trial,  
7 the party seeking protection must articulate compelling reasons, supported by  
8 specific facts and legal justification, for the requested sealing order. Again,  
9 competent evidence supporting the application to file documents under seal  
10 must be provided by declaration.

11 Any document that is not confidential, privileged, or otherwise  
12 protectable in its entirety will not be filed under seal if the confidential portions  
13 can be redacted. If documents can be redacted, then a redacted version for  
14 public viewing, omitting only the confidential, privileged, or otherwise  
15 protectable portions of the document, shall be filed. Any application that seeks  
16 to file documents under seal in their entirety should include an explanation of  
17 why redaction is not feasible.

18 4. DEFINITIONS

19 4.1 Action: this pending federal lawsuit.

20 4.2 Challenging Party: a Party or Non-Party that challenges the  
21 designation of information or items under this Order.

22 4.3 “CONFIDENTIAL” Information or Items: information (regardless  
23 of how it is generated, stored or maintained) or tangible things that qualify for  
24 protection under Federal Rule of Civil Procedure 26, and as specified above in  
25 the Good Cause Statement.

26 4.4 “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY”  
27 Information or Items: extremely confidential and/or sensitive “Confidential  
28

1 Information or Items,” disclosure of which to another Party or Non-Party is  
2 likely to cause harm or significant competitive disadvantage to the Producing  
3 Party.

4 4.5 “HIGHLY CONFIDENTIAL – SOURCE CODE” Information or  
5 Items: extremely sensitive “Confidential Information or Items” representing  
6 computer code, scripts, assembly, binaries, object code, source code listings  
7 (e.g., file names and path structure), source code comments, object code listings,  
8 and Hardware Description Language (HDL) or Register Transfer Level (RTL)  
9 files that describe the hardware design of any ASIC or other chip, disclosure of  
10 which to another Party or Non-Party is likely to cause harm or significant  
11 competitive disadvantage to the Producing Party. Other documents that quote  
12 source code or internal documents that contain specific descriptions of source  
13 code (e.g. descriptions of declarations, functions, and parameters) that describe  
14 how the source code operates, to be narrowly applied, may be designated  
15 pursuant to this Paragraph, provided that the Producing Party also produces a  
16 redacted version designated “HIGHLY CONFIDENTIAL – ATTORNEYS  
17 EYES ONLY,” which removes the quoted source code or specific descriptions  
18 of source code. Native Computer Aided Design (CAD) files may be designated  
19 pursuant to this Paragraph, provided that any printouts of CAD files shall be  
20 designated “HIGHLY CONFIDENTIAL – ATTORNEYS EYES ONLY” and  
21 will not be included in the page limits discussed in Section 11 below.

22 4.6 Counsel: Outside Counsel of Record and House Counsel (as well  
23 as their support staff).

24 4.7 Designating Party or Producing Party: a Party or Non-Party that  
25 designates information or items that it produces in disclosures or in responses to  
26 discovery as “CONFIDENTIAL,” HIGHLY CONFIDENTIAL –  
27

1 ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE  
2 CODE."

3 4.8 Disclosure or Discovery Material: all items or information,  
4 regardless of the medium or manner in which it is generated, stored, or  
5 maintained (including, among other things, testimony, transcripts, and tangible  
6 things), that are produced or generated in disclosures or responses to discovery.

7 4.9 Expert: a person with specialized knowledge or experience in a  
8 matter pertinent to the litigation who has been retained by a Party or its counsel  
9 to serve as an expert witness or as a consultant in this Action.

10 4.10 House Counsel: attorneys who are employees of a party to this  
11 Action. House Counsel does not include Outside Counsel of Record or any  
12 other outside counsel.

13 4.11 Non-Party: any natural person, partnership, corporation, association  
14 or other legal entity not named as a Party to this action.

15 4.12 Outside Counsel of Record: attorneys who are not employees of a  
16 party to this Action but are retained to represent a party to this Action and have  
17 appeared in this Action on behalf of that party or are affiliated with a law firm  
18 that has appeared on behalf of that party, and includes support staff.

19 4.13 Party: any party to this Action, including all of its officers,  
20 directors, employees, consultants, retained experts, and Outside Counsel of  
21 Record (and their support staffs).

22 4.14 Producing Party: a Party or Non-Party that produces Disclosure or  
23 Discovery Material in this Action.

24 4.15 Professional Vendors: persons or entities that provide litigation  
25 support services (e.g., photocopying, videotaping, translating, preparing exhibits  
26 or demonstrations, and organizing, storing, or retrieving data in any form or  
27 medium) and their employees and subcontractors.

1           4.16 Protected Material: any Disclosure or Discovery Material that is  
2 designated as “CONFIDENTIAL,” HIGHLY CONFIDENTIAL –  
3 ATTORNEYS’ EYES ONLY,” or “HIGHLY CONFIDENTIAL – SOURCE  
4 CODE.” Protected Material shall not include: (i) advertising materials that  
5 have been actually published or publicly disseminated; and (ii) materials that  
6 show on their face they have been disseminated to the public.

7           4.17 Receiving Party: a Party that receives Disclosure or Discovery  
8 Material from a Producing Party.

9           5. SCOPE

10          5.1 All Protected Material shall be used solely for this case or any  
11 related appellate proceeding, and not for any other purpose whatsoever,  
12 including without limitation any other litigation, patent prosecution or  
13 acquisition, patent reexamination or reissue proceedings, or any business or  
14 competitive purpose or function. Protected Material shall not be distributed,  
15 disclosed or made available to anyone except as expressly provided in this  
16 Order.

17          5.2 The protections conferred by this Order cover not only Protected  
18 Material (as defined above), but also (1) any information copied or extracted  
19 from Protected Material; (2) all copies, excerpts, summaries, or compilations of  
20 Protected Material; and (3) any testimony, conversations, or presentations by  
21 Parties or their Counsel in court or in other settings that might reveal Protected  
22 Material.

23          5.3 Nothing in this Protective Order shall prevent or restrict a  
24 Producing Party’s own disclosure or use of its own Protected Material to any  
25 person for any purpose.  
26  
27  
28

1           5.4 This Order does not preclude any Party or Non-Party from using  
2 Protected Material with the consent of the Producing Party or by order of the  
3 Court.

4           5.5 This Order does not preclude any Party or Non-Party from moving  
5 the Court for additional protection of any Discovery Material or modification of  
6 this Order, including, without limitation, moving for an order that certain matter  
7 not be produced at all.

8           5.6 Any use of Protected Material at trial shall be governed by the  
9 orders of the trial judge and other applicable authorities. This Order does not  
10 govern the use of Protected Material at trial.

11           6. DURATION

12           Even after Final Disposition of this litigation, the confidentiality  
13 obligations imposed by this Order shall remain in effect until a Designating  
14 Party agrees otherwise in writing, a court order otherwise directs, or the  
15 information was made public during trial. For purposes of this Order, “Final  
16 Disposition” occurs after an order, mandate, or dismissal finally terminating the  
17 above-captioned action with prejudice, including all appeals.

18           7. DESIGNATING PROTECTED MATERIAL

19           7.1 Exercise of Restraint and Care in Designating Material for  
20 Protection. Each Party or Non-Party that designates information or items for  
21 protection under this Order must take care to limit any such designation to  
22 specific material that qualifies under the appropriate standards.

23           Mass, indiscriminate or routinized designations are prohibited.  
24 Designations that are shown to be clearly unjustified or that have been made for  
25 an improper purpose (e.g., to unnecessarily encumber the case development  
26 process or to impose unnecessary expenses and burdens on other parties) may  
27 expose the Designating Party to sanctions.

1 If it comes to a Designating Party's attention that information or items  
2 that it designated for protection do not qualify for protection, that Designating  
3 Party must promptly notify all other Parties that it is withdrawing the  
4 inapplicable designation.

5 7.2 Manner and Timing of Designations. Except as otherwise provided  
6 in this Order, or as otherwise stipulated or ordered, Disclosure of Discovery  
7 Material that qualifies for protection under this Order must be clearly so  
8 designated before the material is disclosed or produced.

9 Designation in conformity with this Order requires:

10 (a) for information in documentary form (e.g., paper or electronic  
11 documents, but excluding transcripts of depositions or other pretrial or trial  
12 proceedings), that the Producing Party affix at a minimum, the legend  
13 "CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES  
14 ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" (hereinafter  
15 "Confidentiality legend"), to each page that contains protected material. If only  
16 a portion of the material on a page qualifies for protection, the Producing Party  
17 also must clearly identify the protected portion(s) (e.g., by making appropriate  
18 markings in the margins). For digital files being produced, the Producing Party  
19 may mark each viewable page or image with the appropriate designation, and  
20 mark the medium, container, and/or communication in which the digital files  
21 were contained.

22 A Party or Non-Party that makes original documents available for  
23 inspection need not designate them for protection until after the inspecting Party  
24 has indicated which documents it would like copied and produced. During the  
25 inspection and before the designation, all of the material made available for  
26 inspection shall be deemed "HIGHLY CONFIDENTIAL – ATTORNEYS'  
27 EYES ONLY." After the inspecting Party has identified the documents it wants



1 copied and produced, the Producing Party must determine which documents, or  
2 portions thereof, qualify for protection under this Order. Then, before producing  
3 the specified documents, the Producing Party must affix the appropriate  
4 Confidentiality legend to each page that contains Protected Material. If only a  
5 portion of the material on a page qualifies for protection, the Producing Party  
6 also must clearly identify the protected portion(s) (e.g., by making appropriate  
7 markings in the margins).

8 (b) for testimony given in depositions that the Designating Party  
9 identifies the Disclosure or Discovery Material on the record at the time the  
10 testimony is given or by sending written notice of which portions of the  
11 transcript of the testimony are designated within 30 days of receipt of the  
12 transcript of the testimony. During the 30-day period, the entire transcript will  
13 be treated as “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.”  
14 Any Protected Material that is used in the taking of a deposition shall remain  
15 subject to the provisions of this Protective Order, along with the transcript pages  
16 of the deposition testimony dealing with such Protected Material. In such cases  
17 the court reporter shall be informed of this Protective Order and shall be  
18 required to operate in a manner consistent with this Protective Order. In the  
19 event the deposition is recorded (by video or otherwise), the original and all  
20 copies of the recording shall be designated pursuant to the terms of this  
21 Protective Order. Counsel for any Producing Party shall have the right to  
22 exclude from oral depositions, other than the deponent, deponent’s counsel, the  
23 reporter and videographer (if any), any person who is not authorized by this  
24 Protective Order to receive or access Protected Material based on the  
25 designation of such Protected Material. Such right of exclusion shall be  
26 applicable only during periods of examination or testimony regarding such  
27 Protected Material.

1 (c) for information produced in some form other than documentary  
2 and for any other tangible items, that the Producing Party affix in a prominent  
3 place on the exterior of the container or containers in which the information is  
4 stored the appropriate Confidentiality legend. If only a portion or portions of the  
5 information warrants protection, the Producing Party, to the extent practicable,  
6 shall identify the protected portion(s).

7 (d) When electronic files or documents are printed for use at  
8 deposition, in a court proceeding, or for provision in printed form to an expert or  
9 consultant pre-approved pursuant to Paragraph 9.2(c), the party printing the  
10 electronic files or documents shall affix a legend to the printed document  
11 corresponding to the designation of the Designating Party and including the  
12 production number and designation associated with the native file. The parties  
13 reserve the right to object to the use of any image format version of a document  
14 produced in native file format to the extent any information has been altered.

15 7.3 Inadvertent Failures to Designate. An inadvertent failure to  
16 designate qualified information or items does not, standing alone, waive the  
17 Designating Party's right to secure protection under this Order for such material,  
18 provided that the Producing Party notifies all Receiving Parties that such  
19 Discovery Material is protected under one of the categories of this Order within  
20 fourteen (14) days of the Producing Party learning of the inadvertent failure to  
21 designate. Upon such timely correction of a designation, the Receiving Party  
22 must make reasonable efforts to assure that the material is treated in accordance  
23 with the provisions of this Order. The Producing Party shall reproduce the  
24 Protected Material with the correct confidentiality designation within seven (7)  
25 days upon its notification to the Receiving Parties. Upon receiving the  
26 Protected Material with the correct confidentiality designation, the Receiving  
27

1 Parties shall return or securely destroy all Discovery Material that was not  
2 designated properly.

3 A Receiving Party shall not be in breach of this Order for any use of such  
4 Discovery Material before the Receiving Party receives such notice that such  
5 Discovery Material is protected under one of the categories of this Order, unless  
6 an objectively reasonable person would have realized that the Discovery  
7 Material should have been appropriately designated with a confidentiality  
8 designation under this Order. Once a Receiving Party has received notification  
9 of the correct confidentiality designation for the Protected Material with the  
10 correct confidentiality designation, the Receiving Party shall treat such  
11 Discovery Material (subject to the exception in the following Paragraph below)  
12 at the appropriately designated level pursuant to the terms of this Order.

13 A subsequent designation of “CONFIDENTIAL,” “HIGHLY  
14 CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY  
15 CONFIDENTIAL – SOURCE CODE” shall apply on a going forward basis and  
16 shall not disqualify anyone who reviewed “CONFIDENTIAL,” “HIGHLY  
17 CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY  
18 CONFIDENTIAL – SOURCE CODE” materials while the materials were not  
19 marked “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or  
20 “HIGHLY CONFIDENTIAL – SOURCE CODE” from engaging in the  
21 activities set forth in Paragraph 10.

22 8 CHALLENGING CONFIDENTIALITY DESIGNATIONS

23 8.1. Timing and Form of Challenges. Any Party or Non-Party may  
24 challenge a designation of confidentiality at any time that is consistent with the  
25 Court’s Scheduling Order. Any challenge to a designation of Discovery  
26 Material under this Order shall comply with the procedures set forth in Local  
27 Rule 37-1.

3           8.3   Joint Stipulation. Any challenge submitted to the Court shall be via  
4   a joint stipulation pursuant to Local Rule 37-2.

13 | 9 ACCESS TO AND USE OF PROTECTED MATERIAL

Protected Material must be stored and maintained by a Receiving Party in a secure manner at a location in the United States that ensures that access is limited to the persons authorized under this Order. For any Protected Material that is subject to export control, such material shall be so marked or designated by the Designating Party and the Receiving Party shall upon receipt be responsible for complying with all applicable United States Export Administration Regulations and shall take all reasonable steps to so comply,

1 including taking steps to ensure such material is not exported outside the United  
2 States or provided to foreign nationals to whom such access is restricted.

3 Nothing in this Protective Order shall be construed to prevent counsel  
4 from advising their clients with respect to this case based in whole or in part  
5 upon Protected Materials, provided counsel does not disclose the Protected  
6 Material itself except as provided in this Order.

7 Nothing in this Protective Order shall preclude a party from using  
8 material obtained lawfully from a source other than the Producing Party, even if  
9 the Producing Party also designated the material pursuant to this Protective  
10 Order.

11 9.2 Disclosure of “CONFIDENTIAL” Information or Items. Unless  
12 otherwise ordered by the court or permitted in writing by the Designating Party,  
13 a Receiving Party may disclose any information or item designated  
14 “CONFIDENTIAL” only to:

15 (a) the Receiving Party’s Outside Counsel of Record in this Action,  
16 as well as employees of said Outside Counsel of Record to whom it is  
17 reasonably necessary to disclose the information for this Action;

18 (b) the officers, directors, and employees (including House  
19 Counsel) of the Receiving Party to whom disclosure is reasonably necessary for  
20 this Action and who have signed the “Acknowledgment and Agreement to Be  
21 Bound” (Exhibit A);

22 (c) Experts (as defined in this Order) of the Receiving Party to  
23 whom disclosure is reasonably necessary for this Action, including the expert’s  
24 support staff, provided that: (1) such consultants or experts are not presently an  
25 officer, director, or employee of a Party or of a competitor of a Party, nor  
26 anticipated at the time of retention to become an officer, director or employee of  
27 a Party or of a competitor of a Party and (2) such expert or consultant is not  
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1 involved in competitive decision-making, as defined by *U.S. Steel v. United*  
2 *States*, 730 F.2d 1465, 1468 n.3 (Fed. Cir. 1984), on behalf of a Party or a  
3 competitor of a Party. At least fourteen (14) days before access to the Protected  
4 Material is to be given to a consultant or expert, the consultant or expert shall  
5 complete the “Acknowledgment and Agreement to Be Bound” (Exhibit A) and  
6 the same shall be served upon the producing Party along with the following  
7 “Pre-Access Disclosure Requirements”:

- 8 (i) a current curriculum vitae of the consultant or expert;
- 9 (ii) identification of the consultant or expert’s present employer  
10 and job title;
- 11 (iii) identification of all of the person’s past and current  
12 employment and consulting relationships in the past five years,  
13 including direct relationships and relationships through entities  
14 owned or controlled by the person, including but not limited to, an  
15 identification of any individual or entity with or for whom the  
16 person is employed or to whom the person provides consulting  
17 services relating to the design, development, operation, or patenting  
18 of non-invasive physiological monitoring technologies, or relating  
19 to the acquisition of intellectual property assets relating to non-  
20 invasive physiological monitoring;
- 21 (iv) identification (by application number, title, and filing date)  
22 of all pending patent applications on which the person is named as  
23 an inventor, in which the person has any ownership interest, or as  
24 to which the person has had or anticipates in the future any  
25 involvement in advising on, consulting on, preparing, prosecuting,  
26 drafting, editing, amending, or otherwise affecting the scope of the  
27 claims; and

1 (v) a listing (by name and number of the case, filing date, and  
2 location of court) of any litigation in connection with which the  
3 person has offered expert testimony, including through a  
4 declaration, report, or testimony at a deposition or trial, during the  
5 preceding five years.

6 The Party seeking to disclose Protected Material shall provide such other  
7 information regarding the person's professional activities reasonably requested  
8 by the Producing Party for it to evaluate whether good cause exists to object to  
9 the disclosure of Protected Material to the outside expert or consultant.  
10 Objection Process: The producing party may object to and notify the receiving  
11 Party in writing that it objects to disclosure of Protected Material to the  
12 consultant or expert. In the absence of an objection within fourteen (14) days of  
13 the date on which the Producing Party receives notice that a consultant or expert  
14 will be given access to Protected Material, the person shall be deemed approved  
15 under this Protective Order. There shall be no disclosure of Protected Material  
16 to the person prior to expiration of this fourteen (14) day period. If an objection  
17 is received within that fourteen (14) day period, the Parties agree to meet and  
18 confer within seven (7) days following the objection and to use good faith to  
19 resolve any such objection. If the Parties are unable to resolve any objection,  
20 the objecting Party shall serve on the other Party a Joint Stipulation pursuant to  
21 Local Rule 37-2.1 within seven (7) days of the meet and confer. The objecting  
22 Party shall have the burden of proving the need for a protective order. No  
23 disclosure shall occur until all such objections are resolved by agreement or  
24 Court order;

25 (d) the court and its personnel;

26 (e) court reporters, videographers, and their staff;



1 (f) professional jury or trial consultants, mock jurors, and  
2 Professional Vendors to whom disclosure is reasonably necessary for this  
3 Action and who have signed the “Acknowledgment and Agreement to Be  
4 Bound” (Exhibit A);

5 (g) the author, recipient, or custodian of a document containing the  
6 information, or any other individual who appears to have had access to  
7 the specific information at issue based on the face of the document, the  
8 document’s metadata, other documents, or sworn witness testimony;

9 (h) any mediators or settlement officers and their supporting  
10 personnel, mutually agreed upon by any of the parties engaged in settlement  
11 discussions;

12 (i) any other person with the prior written consent of the Producing  
13 Party; and

14 (j) during their depositions, witnesses, and attorneys for witnesses,  
15 in the Action to whom disclosure is reasonably necessary provided: (1) the  
16 deposing party requests that the witness sign the form attached as Exhibit A  
17 hereto; and (2) they will not be permitted to keep any confidential information  
18 unless they sign the “Acknowledgment and Agreement to Be Bound” (Exhibit  
19 A), unless otherwise agreed by the Designating Party or ordered by the court.  
20 Pages of transcribed deposition testimony or exhibits to depositions that reveal  
21 Protected Material may be separately bound by the court reporter and may not  
22 be disclosed to anyone except as permitted under this Protective Order. If a  
23 Designating Party believes a party is not acting in good faith in seeking to show  
24 Protected Material to a witness during a deposition, the Designating Party may  
25 seek a further protective order under Local Rule 37 to prevent the showing of  
26 Protected Material to the witness, with the Designating Party bearing the burden  
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1 of proof to show that the party seeking to show Protected Material to a witness  
2 during a deposition is not acting in good faith.

3 9.3. Disclosure of “HIGHLY CONFIDENTIAL – ATTORNEYS’  
4 EYES ONLY” Information or Items. Unless otherwise ordered by the court or  
5 permitted in writing by the Designating Party, a Receiving Party may disclose  
6 any information or item designated “HIGHLY CONFIDENTIAL –  
7 ATTORNEYS’ EYES ONLY” only to the individuals identified in Paragraphs  
8 9.2 (a), (c)-(i), who are not competitive decision-makers of a Party as defined by  
9 applicable authorities.

10 10. PROSECUTION BAR

11 After the adoption of this provision by the parties, Outside Counsel of  
12 Record and any person associated with a Party who receive a Producing Party’s  
13 material designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES  
14 ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” under this  
15 Protective Order who accesses or otherwise learns of, in whole or in part, said  
16 material designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES  
17 ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” under this  
18 Protective Order shall not prepare, prosecute, supervise, advise, counsel, or  
19 assist in the preparation or prosecution of any patent application seeking a  
20 patent on behalf of the Receiving Party or its acquirer, successor, or predecessor  
21 in the field of non-invasive monitoring during the pendency of this Action and  
22 for two years after final termination of this action. To avoid any doubt,  
23 “prosecution” as used in this paragraph does not include representing or  
24 advising a Party before a domestic or foreign agency in connection with a  
25 reissue, ex parte reexamination, covered business method review, *inter partes*  
26 review, opposition, cancelation, or similar proceeding; though in connection  
27 with any such agency proceeding involving the patents-in-suit, Outside Counsel  
28

1 of Record for a Receiving Party shall not: (i) participate in the preparation,  
2 prosecution, supervision, advice, counsel, or assistance of any amended claims;  
3 (ii) reveal a Producing Party's Protected Material to any prosecuting  
4 reexamination counsel or agent; or (iii) use a producing Party's Protected  
5 Material for any purpose not permitted by Section 5. The applicability of this  
6 provision is to be determined on an individual-by-individual basis such that an  
7 individual attorney who has not received Protected Material designated  
8 "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY  
9 CONFIDENTIAL – SOURCE CODE" is not restricted from undertaking any  
10 activities by virtue of this provision even if said individual attorney is employed  
11 by or works for the same firm or organization as an individual who has received  
12 such Protected Material.

13 11. SOURCE CODE

14 (a) To the extent production of source code becomes necessary  
15 in this case, a Producing Party may designate source code as "HIGHLY  
16 CONFIDENTIAL - SOURCE CODE" if it comprises or includes confidential,  
17 proprietary or trade secret source code. Nothing in this Order shall be construed  
18 as a representation or admission that Source Code is properly discoverable in  
19 this action, or to obligate any Party to produce any Source Code.

20 (b) Protected Material designated as "HIGHLY  
21 CONFIDENTIAL – SOURCE CODE" shall be subject to all of the protections  
22 afforded to "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY"  
23 information including the Prosecution Bar set forth in Paragraph 10, and may be  
24 disclosed only to the individuals identified in Paragraphs 9.2(a), (c), (d), (e), (g),  
25 and (j), subject to the restrictions set forth in Paragraph 9.3.

26 (c) Any source code produced in discovery shall be made  
27 available for inspection, in a format allowing it to be reasonably reviewed and  
28

1 searched, during normal business hours or at other mutually agreeable times, at  
2 an office of the Producing Party's counsel in the Central District of California or  
3 another mutually agreed upon location. The source code shall be made available  
4 for inspection on a secured computer in a secured room without Internet access  
5 or network access to other computers, and the Receiving Party shall not copy,  
6 remove, or otherwise transfer any portion of the source code onto any  
7 recordable media or recordable device. No recordable media or recordable  
8 devices, including without limitation sound recorders, computers, cellular  
9 telephones, peripheral equipment, cameras, CDs, DVDs, or drives of any kind,  
10 shall be permitted into the Source Code Review Room. The Producing Party  
11 may visually monitor the activities of the Receiving Party's representatives  
12 during any source code review, but only to ensure that there is no unauthorized  
13 recording, copying, or transmission of the source code.

14 (d) The Producing Party shall install tools that are sufficient for  
15 viewing and searching the code produced, on the platform produced, if such  
16 tools exist and are presently used in the ordinary course of the Producing Party's  
17 business. The Receiving Party's outside counsel and/or experts may request  
18 that commercially available software tools for viewing and searching Source  
19 Code be installed on the secured computer, provided, however, that (a) the  
20 Receiving Party possesses an appropriate license to such software tools; (b) the  
21 Producing Party approves such software tools; and (c) such other software tools  
22 are reasonably necessary for the Receiving Party to perform its review of the  
23 Source Code consistent with all of the protections herein. The Receiving Party  
24 must provide the Producing Party with the CD or DVD containing such licensed  
25 software tool(s) at least fourteen (14) days in advance of the date upon which  
26 the Receiving Party wishes to have the additional software tools available for  
27

1 use on the Source Code Computer. The Parties agree to cooperate in good  
2 faith if additional software becomes necessary on an expedited basis.

3 (e) The Receiving Party's outside counsel and/or experts shall  
4 be entitled to take notes relating to the Source Code but may not copy the  
5 Source Code into the notes and may not take such notes electronically on the  
6 Source Code Computer itself or any other computer.

7 (f) The Receiving Party may request paper copies of limited  
8 portions of source code that are reasonably necessary for the preparation of  
9 court filings, pleadings, expert reports, or other papers, or for deposition or trial,  
10 but shall not request paper copies for the purposes of reviewing the source code  
11 other than electronically as set forth in Paragraph (c) in the first instance. Any  
12 printed portion that consists of more than fifteen (15) pages of a continuous  
13 block of Source Code or more than two hundred (200) pages total shall be  
14 presumed to be excessive, and the burden shall be on the Receiving Party to  
15 demonstrate the need for such a printed copy. Within ten (10) days, the  
16 Producing Party shall either (i) provide one copy set of such pages to the  
17 Receiving Party or (ii) inform the Requesting Party that it objects that the  
18 printed portions are excessive and/or not done for a permitted purpose. The  
19 Parties will cooperate in good faith if a different timeframe for production is  
20 required. If, after meeting and conferring, the Producing Party and the  
21 Receiving Party cannot resolve the objection, the Receiving Party shall be  
22 entitled to seek a Court resolution of whether the printed Source Code in  
23 question is narrowly tailored and was printed for a permitted purpose. The  
24 burden shall be on the Receiving Party to demonstrate that such printed portions  
25 are no more than is reasonably necessary for a permitted purpose and not merely  
26 printed for the purposes of review and analysis elsewhere. The printed pages  
27

1 shall constitute part of the Source Code produced by the Producing Party in this  
2 action.

3 (g) All persons who will review a Producing Party's Source  
4 Code on behalf of a Receiving Party, including members of a Receiving Party's  
5 outside law firm, shall be identified in writing to the Producing Party at least  
6 five (5) days in advance of the first time that such person reviews such Source  
7 Code. Such identification shall be in addition to any other disclosure required  
8 under this Order. All persons viewing Source Code on the source code  
9 computer shall sign on each day they view Source Code a log that will include  
10 the names of persons who enter the locked room to view the Source Code and  
11 when they enter and depart. The log shall be kept by the Producing Party.

12 (h) Unless otherwise agreed in advance by the Parties in writing,  
13 following each day on which inspection is done under this Order, the Receiving  
14 Party's outside counsel and/or experts shall remove all notes, documents, and all  
15 other materials from the Source Code Review Room; failure to do so could be  
16 deemed a waiver of confidentiality to any materials left behind. The Producing  
17 Party is not responsible for any items left in the room following each inspection  
18 session. But all counsel remain bound by their ethical duties regarding the  
19 handling and possible return of work product inadvertently left behind by a  
20 representative of an opposing party. Proper identification of all authorized  
21 persons shall be provided prior to any access to the secure room or the computer  
22 containing Source Code. Proper identification requires showing, at a minimum,  
23 a photo identification card sanctioned by the government of any State of the  
24 United States, by the government of the United States, or by the nation state of  
25 the authorized person's current citizenship. Access to the secure room or the  
26 Source Code Computer may be denied, at the discretion of the supplier, to any  
27 individual who fails to provide proper identification.

1 (i) The Receiving Party's outside counsel of record may make  
2 no more than three (3) additional paper copies of any portions of the Source  
3 Code received from a Producing Party pursuant to Paragraph 11(f), not  
4 including copies attached to court filings or used at depositions, and shall  
5 maintain a log of all paper copies of the Source Code. The log shall include the  
6 names of the reviewers and/or recipients of paper copies and locations where the  
7 paper copies are stored. Upon request from the Producing Party, the Receiving  
8 Party shall provide a copy of this log to the Producing Party as soon reasonably  
9 practicable and in no event more than three (3) days after receipt of such  
10 request.

11 (j) The Receiving Party's outside counsel of record and any  
12 person receiving a copy of any Source Code shall maintain and store any paper  
13 copies of the Source Code at their offices in a manner that prevents duplication  
14 of or unauthorized access to the Source Code, including, without limitation,  
15 storing the Source Code in a locked room or cabinet at all times when it is not in  
16 use. Absent agreement of the Parties or order of this Court, no more than a total  
17 of fifteen (15) individuals identified by the Receiving Party shall have access to  
18 the printed portions of the Source Code (except insofar as such code appears in  
19 any court filing or expert report). The Parties agree to cooperate in good faith if  
20 it becomes necessary for more than fifteen (15) individuals to have access to the  
21 printed portions of the Source Code. Nothing in this paragraph reflects an  
22 agreement by any Party in advance that access by more than fifteen individuals  
23 is warranted.

24 (k) For depositions, the Receiving Party shall not bring copies of  
25 any printed Source Code. Rather, at least ten (10) days before the date of the  
26 deposition, the Receiving Party shall notify the Producing Party it wishes to use  
27 Source Code at the deposition, and the Producing Party shall bring printed  
28



1 copies of the Source Code to the deposition for use by the Receiving Party.  
2 Copies of Source Code that are marked as deposition exhibits shall not be  
3 provided to the Court Reporter or attached to deposition transcripts; rather, the  
4 deposition record will identify the exhibit by its production numbers. The  
5 Producing Party shall maintain the marked deposition exhibits during the  
6 pendency of this case. All other paper copies of Source Code brought to the  
7 deposition by the Producing Party shall remain with the Producing Counsel's  
8 outside counsel for secure destruction in a timely manner following the  
9 deposition.

10 (l) Except as provided in this sub-paragraph, absent express  
11 written permission from the Producing Party, the Receiving Party may not  
12 create electronic images, or any other images, or make electronic copies, of the  
13 Source Code from any paper copy of Source Code for use in any manner  
14 (including by way of example only, the Receiving Party may not scan the  
15 Source Code to a PDF or photograph the code). Images or copies of Source  
16 Code shall not be included in correspondence between the Parties (references to  
17 production numbers shall be used instead), and shall be omitted from pleadings  
18 and other papers whenever possible. If a Party reasonably believes that it needs  
19 to submit a portion of Source Code as part of a filing with the Court, the Parties  
20 shall meet and confer as to how to make such a filing while protecting the  
21 confidentiality of the Source Code and such Source Code will not be filed  
22 absent agreement from the Producing Party that the confidentiality protections  
23 will be adequate or order of this Court. If a Producing Party agrees to produce  
24 an electronic copy of all or any portion of its Source Code or provide written  
25 permission to the Receiving Party that an electronic or any other copy needs to  
26 be made for a Court filing, access to the Receiving Party's submission,  
27 communication, and/or disclosure of electronic files or other materials

1 containing any portion of Source Code (paper or electronic) shall at all times be  
2 limited solely to individuals who are expressly authorized to view Source Code  
3 under the provisions of this Order. Where the Producing Party has provided the  
4 express written permission required under this provision for a Receiving Party  
5 to create electronic copies of Source Code, the Receiving Party shall maintain a  
6 log of all such electronic copies of any portion of Source Code in its possession  
7 or in the possession of its retained consultants, including the names of the  
8 reviewers and/or recipients of any such electronic copies, and the locations and  
9 manner in which the electronic copies are stored. Additionally, any such  
10 electronic copies must be labeled "HIGHLY CONFIDENTIAL - SOURCE  
11 CODE" as provided for in this Order.

12 12. PROTECTED MATERIAL SUBPOENAED OR ORDERED  
13 PRODUCED IN OTHER LITIGATION

14 If a Party is served with a subpoena, including one issued by any court,  
15 arbitral, administrative or legislative body or a court order issued in other  
16 litigation, that requests or compels disclosure of any Protected Material, that  
17 Party must:

18 (a) promptly notify in writing each Designating Party. Such  
19 notification shall include a copy of the subpoena or court order;

20 (b) promptly notify in writing the party who caused the subpoena  
21 or order to issue in the other litigation that some or all of the material covered  
22 by the subpoena or order is subject to this Protective Order. Such notification  
23 shall include a copy of this Protective Order; and

24 (c) cooperate with respect to all reasonable procedures sought to be  
25 pursued by the Designating Party whose Protected Material may be affected. If  
26 the Designating Party timely seeks a protective order, the Party served with the  
27 subpoena or court order shall not produce any information designated in this  
28

1 action as “CONFIDENTIAL,” HIGHLY CONFIDENTIAL – ATTORNEYS’  
2 EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” before a  
3 determination by the court from which the subpoena or order issued, unless the  
4 Party has obtained the Designating Party’s permission. The Designating Party  
5 shall bear the burden and expense of seeking protection in that court of its  
6 confidential material and nothing in these provisions should be construed as  
7 authorizing or encouraging a Receiving Party in this Action to disobey a lawful  
8 directive from another court.

9 13. A NON-PARTY’S PROTECTED MATERIAL SOUGHT TO BE  
10 PRODUCED IN THIS LITIGATION

11 (a) The terms of this Order are applicable to information produced  
12 by a Non-Party in this Action and designated as Protected Material. Such  
13 information produced by Non-Parties in connection with this litigation is  
14 protected by the remedies and relief provided by this Order. Nothing in these  
15 provisions should be construed as prohibiting a Non-Party from seeking  
16 additional protections.

17 (b) In the event that a Party is required, by a valid discovery  
18 request, to produce a Non-Party’s confidential information in its possession, and  
19 the Party is subject to an agreement with the Non-Party not to produce the Non-  
20 Party’s confidential information, then the Party shall:

21 (1) promptly notify in writing the Requesting Party and the Non-  
22 Party that some or all of the information requested is subject to a confidentiality  
23 agreement with a Non-Party;

24 (2) promptly provide the Non-Party with a copy of the Protective  
25 Order in this Action, the relevant discovery request(s), and a reasonably specific  
26 description of the information requested; and  
27

1 (3) make the information requested available for inspection by the  
2 Non-Party, if requested.

3 (c) If the Non-Party fails to seek a protective order from this court  
4 within 14 days of receiving the notice and accompanying information, the  
5 Receiving Party may produce the Non-Party's confidential information  
6 responsive to the discovery request. If the Non-Party timely seeks a protective  
7 order, the Receiving Party shall not produce any information in its possession or  
8 control that is subject to the confidentiality agreement with the Non-Party before  
9 a determination by the court. Absent a court order to the contrary, the Non-Party  
10 shall bear the burden and expense of seeking protection in this court of its  
11 Protected Material.

12 14. UNAUTHORIZED DISCLOSURE OF PROTECTED  
13 MATERIAL

14 If a Receiving Party learns that, by inadvertence or otherwise, it has  
15 disclosed Protected Material to any person or in any circumstance not  
16 authorized under this Protective Order, the Receiving Party must immediately  
17 (a) notify in writing the Designating Party of the unauthorized disclosures, (b)  
18 use its best efforts to retrieve all unauthorized copies of the Protected Material  
19 and to ensure that no further or greater unauthorized disclosure and/or use  
20 thereof is made, (c) inform the person or persons to whom unauthorized  
21 disclosures were made of all the terms of this Order and (d) request such person  
22 or persons to execute the "Acknowledgment an Agreement to Be Bound"  
23 attached hereto as Exhibit A. Unauthorized or inadvertent disclosure does not  
24 change the status of Discovery Material or waive a Producing Party's right to  
25 maintain the disclosed document or information as Protected Material.

1           15.    INADVERTENT PRODUCTION OF PRIVILEGED OR  
2                    OTHERWISE PROTECTED MATERIAL

3           (a) The inadvertent production by a Party of Discovery Material  
4 subject to the attorney-client privilege, work-product protection, or any other  
5 applicable privilege or protection, despite the Producing Party's reasonable  
6 efforts to prescreen such Discovery Material prior to production, will not waive  
7 the applicable privilege and/or protection if a request for return of such  
8 inadvertently produced Discovery Material is made promptly after the  
9 Producing Party learns of its inadvertent production.

10          (b) Upon a request from any Producing Party who has  
11 inadvertently produced Discovery Material that it believes is privileged and/or  
12 protected, each Receiving Party shall immediately return such Protected  
13 Material or Discovery Material and all copies to the Producing Party, except for  
14 any pages containing privileged markings by the Receiving Party which shall  
15 instead be destroyed and certified as such by the Receiving Party to the  
16 Producing Party.

17          (c) Nothing herein shall prevent the Receiving Party from  
18 preparing a record for its own use containing the date, author, addresses, and  
19 topic of the inadvertently produced Discovery Material and such other  
20 information as is reasonably necessary to identify the Discovery Material and  
21 describe its nature to the Court in any motion to compel production of the  
22 Discovery Material.

23           16.    MISCELLANEOUS

24           16.1 Right to Further Relief. Nothing in this Order abridges the right of  
25 any person to seek its modification by the Court in the future.

26           16.2 Right to Assert Other Objections. By agreeing to the entry of this  
27 Protective Order, no Party waives any right it otherwise would have to object to  
28

1 disclosing or producing any information or item on any ground not addressed in  
2 this Protective Order. Similarly, no Party waives any right to object on any  
3 ground to use in evidence of any of the material covered by this Protective  
4 Order.

5 16.3 Filing Protected Material. A Party that seeks to file under seal any  
6 Protected Material must comply with Local Civil Rule 79-5. Protected Material  
7 may only be filed under seal pursuant to a court order authorizing the sealing of  
8 the specific Protected Material. If a Party's request to file Protected Material  
9 under seal is denied by the court, then the Receiving Party may file the  
10 information in the public record unless otherwise instructed by the court.

11 16.4 Termination of Matter and Retention of Jurisdiction. The Parties  
12 agree that the terms of this Protective Order shall survive and remain in effect  
13 after the Final Disposition of the above-captioned matter. The Court shall retain  
14 jurisdiction after Final Determination of this matter to hear and resolve any  
15 disputes arising out of this Protective Order.

16 16.5 Successors. This Order shall be binding upon the Parties hereto,  
17 their successors, and anyone who obtains access to Protected Material.

18 16.6 Modification by Court. This Order is subject to further court order  
19 based upon public policy or other considerations, and the Court may modify this  
20 Order sua sponte in the interests of justice. All disputes between the Parties  
21 concerning Protected Material, however designated, produced under the  
22 protection of this Order shall be resolved by the United States District Court for  
23 the Central District of California.

24 16.7 Computation of Time. The computation of any period of time  
25 prescribed or allowed by this Order shall be governed by the provisions for  
26 computing time set forth in Federal Rules of Civil Procedure 6.  
27

1           17.    FINAL DISPOSITION

2           After the Final Disposition of this Action, as defined in Paragraph 6,  
3   within 60 days of a written request by the Designating Party, each Receiving  
4   Party shall return all Protected Material to the Producing Party or destroy such  
5   material. As used in this subdivision, “all Protected Material” includes all  
6   copies, abstracts, compilations, summaries, and any other format reproducing or  
7   capturing any of the Protected Material. Whether the Protected Material is  
8   returned or destroyed, the Receiving Party must submit a written certification to  
9   the Producing Party (and, if not the same person or entity, to the Designating  
10   Party) by the 60-day deadline that (1) identifies (by category, where  
11   appropriate) all the Protected Material that was returned or destroyed and (2)  
12   affirms that the Receiving Party has not retained any copies, abstracts,  
13   compilations, summaries or any other format reproducing or capturing any of  
14   the Protected Material. Notwithstanding this provision, Counsel are entitled to  
15   retain an archival copy of all pleadings, motion papers, trial, deposition, and  
16   hearing transcripts, legal memoranda, correspondence, deposition and trial  
17   exhibits, expert reports, attorney work product, and consultant and expert work  
18   product, even if such materials contain Protected Material, but must return or  
19   destroy any pleadings, correspondence, and consultant or expert work product  
20   that contain information designated “HIGHLY CONFIDENTIAL – SOURCE  
21   CODE.” Any such archival copies that contain or constitute Protected Material  
22   remain subject to this Protective Order as set forth in Paragraph 6  
23   (DURATION).

24    ///

25    ///

26    ///

27    ///




1  
2 18. VIOLATION

3 Any violation of this Order may be punished by appropriate measures  
4 including, without limitation, contempt proceedings and/or monetary sanctions.

5 **IT IS SO ORDERED.**

6  
7 Dated: June 30, 2020

8   
9 JOHN D. EARLY  
United States Magistrate Judge

**EXHIBIT A**

I, \_\_\_\_\_, acknowledge and declare that I have received a copy of the Protective Order (“Order”) in *Masimo Corp., et al. v. Apple Inc.*, United States District Court, Central District of California, Southern Division, Civil Action No. 8:20-cv-00048-JVS (JDEx). Having read and understood the terms of the Order, I agree to be bound by the terms of the Order and consent to the jurisdiction of said Court for the purpose of any proceeding to enforce the terms of the Order.

Name of individual: \_\_\_\_\_

Present occupation/job description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of Company or Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Signature]

## **ATTACHMENT C**

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

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July 25, 2014

**BY CM/ECF AND HAND DELIVERY**

The Honorable Leonard P. Stark  
United States District Court  
844 N. King Street  
Wilmington, DE 19801-3555

Re: *Parallel Networks* Related Actions, C.A. Nos. 13-1412-LPS, 13-1413-LPS,  
13-1414-LPS, 13-1476-LPS, 13-1477-LPS, 13-1481-LPS, 13-1943-LPS, 13-  
2001-LPS, 13-2051-LPS, 13-2085-LPS: Proposed Protective Order Dispute

Dear Chief Judge Stark:

Defendants submit this responsive letter brief regarding the disputed provisions of the proposed protective order, which Plaintiff attached to its July 24 letter. (D.I. 25, Ex. A.)

**Section 27 – Scope of Prosecution Bar:** The parties only dispute (1) whether the scope of the prosecution bar should extend to post-grant proceedings, and (2) whether an ethical wall should be required.

*First*, the inclusion of post-grant proceedings within the scope of the bar is necessary to prevent Defendants' confidential information from being misused – even if inadvertently – to amend, adjust, or otherwise impact claim scope before the PTO. Plaintiff acknowledges that risk by agreeing that the “purpose of a prosecution bar is to preclude the counsel from using confidential information that is learned in the litigation in crafting new claims.” (D.I. 25 at 3.) Post-grant proceedings, such as the new AIA proceedings and the prior reexamination procedures, provide a patentee with the opportunity to amend or substitute claims (or to otherwise impact claim scope through argument) and thus carry an equal risk as the prosecution of patent applications and re-issue applications. Accordingly, and for good reason, courts have extended prosecution bars to cover reexamination and new AIA review proceedings. *See, e.g., Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, No. 11-6391 (D.I. 199) (N.D. Cal. June 11, 2013) (granting motion to amend protective order to apply prosecution bar to cover IPRs); *Prilotec, Inc. v. Scentair Techs., Inc.*, No. 12-483 (D.I. 62) (E.D. Wis. May 17, 2013) (barring litigation counsel from participating in IPRs). Likewise, in *ReefEdge Networks, LLC v. Aruba Networks Inc.*, this Court resolved a similar dispute over the breadth of the protective order by ruling that PTAB review and reexamination proceedings should be included within the scope of the prosecution bar. *See, e.g., D.I. 43 ¶ 19* (protective order) and *D.I. 49 at 33-34* (hearing) in *ReefEdge*, C.A. No. 12-1042-LPS (“And I think it follows as well that any PTO proceedings includes any PTO proceedings including the more recent ones created under the AIA.”).

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*Second*, an ethical wall is an important element to implement a prosecution bar effectively because it safeguards against the risk that litigation counsel receiving Defendants' confidential information will inadvertently disclose that information to counsel prosecuting patents or otherwise acting in the PTO. Merely preventing trial counsel from being directly involved in amending claims does not provide meaningful protection.<sup>1</sup> As the Federal Circuit explained in *Deutsche Bank*, the risk of inadvertent disclosure is a real danger because "it is very difficult for the human mind to compartmentalize and selectively suppress information once learned, no matter how well-intentioned the effort may be to do so." *In re Deutsche Bank Trust Co. Ams.*, 604 F.3d 1373, 1381 (Fed. Cir. 2010). It is virtually impossible for the human mind to seal off confidential information about the accused products (and the necessary scope the claims must have to ensnare them) when discussing, for example, the types of arguments that could be made and positions that could be taken in an IPR regarding distinctions over prior art. Plaintiff's proposal ignores that risk and goes so far as to allow litigation counsel to "consult[]" and "assist[]" counsel acting before the PTO. Balanced against the substantial risk described in *Deutsche Bank*, the burden on Plaintiff of an ethical barrier is slight, particularly given that Plaintiff has multiple attorneys representing it, including an entirely separate law firm (Baker Botts LLP) representing it in PTO matters; Baker Botts in fact prosecuted the patents-in-suit. For those reasons, this Court in *ReefEdge* approved an ethical wall that was identical in substance to the wall Defendants have proposed here. See D.I. 43 ¶ 19 (protective order) and D.I. 49 at 32-33 (hearing) in *ReefEdge*, C.A. No. 12-1042-LPS (and related cases) ("[C]ounsel, like all of us, is human" and this creates the risk that "inadvertently, perhaps even unknowingly, counsel could be unfairly making use of confidential information in the context of a proceeding before the PTO.").

**Section 14(d)(iii) – Source Code Logging:** Defendants are all high-tech companies. For each Defendant, its source code is among the company's most important asset. Maintaining a record of who has accessed their source code and when it was accessed is essential to manage the disclosure of their source code and to trace the source of any inadvertent disclosures.

Thus, Defendants propose that *all* individuals who access the source code should appear on the log. Plaintiff has not explained why identifying on the log outside counsel and their employees – who in this instance include technical experts who otherwise would be subject to the agreed restrictions on outside technical experts – would be burdensome or unfair,<sup>2</sup> nor does any persuasive reason exist for treating outside counsel and their employees differently than technical experts or any other individuals involved in the litigation.<sup>3</sup> Indeed, it seems unlikely that outside counsel and staff would have any particular need to access the original printed pages of source code on a regular basis (instead, that job would be largely done by the technical

---

<sup>1</sup> Plaintiff states this District has recognized the need for trial counsel to discuss prior art with separate counsel. But the trial transcript cited by Plaintiff does not support this – the Court merely states that trial counsel "cannot participate in the competitive decision making." (D.I. 25, Ex. D at 20.)

<sup>2</sup> There is no burden. Signing in and out before and after reviewing the source code is trivial.

<sup>3</sup> Plaintiff's assertion that attorneys are under other ethical obligations does not address the need for a complete log of those who accessed the code to reconstruct the source of a disclosure.

The Honorable Leonard P. Stark  
July 25, 2014  
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expert). More to the point, the goal of avoiding repeated, routine access is precisely the reason to treat these materials differently than other materials, *i.e.*, to have a constant reminder (via a set procedure) that printed source code should *not* be indiscriminately accessed and handled, but instead accessed only when necessary, thereby minimizing the chance of an inadvertent mishandling of the material. Given the extreme sensitivity of the material, and the minimal burden involved, outside counsel and their employees should be included on the log.

Defendants propose that, in addition to the date of access, each individual's time and duration of access should be recorded. This is standard practice for source-code logs both inside and outside of litigation. The purpose is to leave an "audit trail" in the event a problem arises so that events leading up to the issue can be reconstructed and proper remedial action taken. Again, Plaintiff has not identified any specific burden that would arise from the recording of that standard information.

**Section 18 – Export Control Requirements:** The disagreement here arises out of each party's indisputable obligation to comply with U.S. Export Administration Regulations ("EAR") for certain types of technical information in the possession of Defendants that will be produced in this case. Plaintiff's contention that complying with those obligations would be "unduly burdensome" and that its EAR obligations would somehow be released simply by an order to comply with a protective order confirms Defendants' concerns. (*See* D.I. 25 at 2.)

To be clear, all of the accused products (and, thus, the subject matter of the document production from Defendants) fall within the EAR's category of "telecommunications/networking equipment," subjecting them to some form of export control. *See* 15 C.F.R. § 774 Supp. No. 1 Cat. 5. As a result, many of Defendants' technical, non-public documents and information associated with those products is restricted by federal regulation from being disclosed to nationals of countries other than the United States and Canada without U.S. government authorization. *See* 15 C.F.R. §§ 774 Supp. No. 1 Cat. 5; 738 Supp. No. 1. Although the regulations are referred to as "export control," the restrictions exist even if the foreign nationals are located in the United States. *Id.* In light of those regulations, Defendants' protective-order proposal would have the party receiving such information acknowledge its EAR obligations and agree to certain compliance mechanisms, including, for instance, the maintenance of adequate controls to prevent unauthorized foreign nationals from accessing a producing party's confidential information. The proposal is identical in substance to the "Export Control Requirements" provision this Court approved in *ReefEdge*. *See* D.I. 43 ¶ 18 (protective order) and D.I. 49 at 35-36 (hearing) in *ReefEdge*, C.A. No. 12-1042-LPS (and related cases).

Although Plaintiff did not dispute in the meet-and-confer that it will be obligated to comply with EAR (instead arguing that the proposed language was unnecessary), Plaintiff appears to have reversed course in its letter. Apart from Defendants' reasonable concern about whether Plaintiff will comply with its EAR obligations, Plaintiff's approach would put Defendants in the position of producing documents directly to a party (Plaintiff) that may well give access to those documents to foreign nationals. The proposed restriction will ensure that Defendants will not disclose information in a way that violates the EAR, even if the disclosure is otherwise permitted by the protective order. To be clear, Defendants' proposal does not impose on Plaintiff any burden and obligation beyond that already present by virtue of the EAR. Accordingly, Defendants believe that the protective order, as the procedural vehicle that implements the restrictions attendant to the production of documents in this case, should contain the acknowledgement on this restriction.

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July 25, 2014  
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Respectfully submitted,

*/s/ Ethan H. Townsend*

Ethan H. Townsend (#5813)

cc: Clerk of the Court  
All Counsel of Record